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Trial

1 UNITED STATES DISTRICT COURT

2 SOUTHERN DISTRICT OF NEW YORK

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3 TEVA PHARMACEUTICALS USA,  
4 INC., TEVA PHARMACEUTICALS  
INDUSTRIES LTD., TEVA  
5 NEUROSCIENCE, INC. and YEDA  
RESEARCH AND DEVELOPMENT CO.  
6 LTD.,

7 Plaintiffs,

8 v.

08-CV-7611 (BSJ)

9 SANDOZ, INC., SANDOZ  
INTERNATIONAL GMBH, NOVARTIS  
10 AG, and MOMENTA  
PHARMACEUTICALS, INC.,

11 Defendants.

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13 TEVA PHARMACEUTICALS USA,  
INC., TEVA PHARMACEUTICALS  
14 INDUSTRIES LTD., TEVA  
NEUROSCIENCE, INC. and YEDA  
15 RESEARCH AND DEVELOPMENT CO.  
LTD.,

16 Plaintiffs,

17 v.

09-CV-8824 (BSJ)

18 MYLAN PHARMACEUTICALS INC.,  
19 MYLAN INC., NATCO PHARMA LTD.,

20 Defendants.

Non-Jury Trial

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22 New York, N.Y.  
September 7, 2011  
9:30 a.m.

23 Before:

24 HON. BARBARA S. JONES,

25 District Judge

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1 (Case called)

2 (In open court)

3 THE COURT: Good morning. All right, I have some  
4 rulings for you this morning, and then I guess we can proceed  
5 with openings. Let me start with what we discussed first I  
6 think the last time we were together, which is Mylan's  
7 application that Teva be ordered to produce Mr. Konfino. I'm  
8 denying that. I've read the cases, particularly, I don't know  
9 how to pronounce the name, Minvea (ph). It just doesn't stand  
10 for the proposition that defendant is claiming it does. The  
11 judge didn't order the experts to show up for trial in the  
12 first instance, he basically said you can bring them or you can  
13 suffer an adverse inference. More importantly, it just doesn't  
14 stand for the proposition that if there is an agreement of the  
15 type that we have in this case, that there's any obligation on  
16 the part of the patent holder in this case, Teva, to produce  
17 the inventor for trial. Teva as a party who controls  
18 Mr. Konfino is certainly obligated to produce him for  
19 deposition. They have done that. I think that's the extent of  
20 their obligation.

21 All right.

22 MS. BLOODWORTH: Your Honor, if I may be heard after  
23 that as well.

24 THE COURT: I have read several letters, Ms.  
25 Bloodworth. What else is there to say?

1 MS. BLOODWORTH: To clarify your rulings, plaintiffs  
2 have also designated Mr. Konfino's deposition transcript. We  
3 believe it should be admissible under Rule 804, because if  
4 plaintiff had requested him to come here to trial, he testified  
5 in his deposition he would appear, and he's also added his  
6 contract doesn't make clear if he's actually obligated to  
7 Kenyon that he would appear.

8 THE COURT: I'm not sure that's not the same argument  
9 that you've been making. He's not within the subpoena power of  
10 this Court. Under that circumstance, his deposition testimony  
11 should be admissible. Mr. Hashmall?

12 MR. HASHMALL: Just one point of clarification. We  
13 did not designate his deposition testimony, we counter  
14 designated it in response to the designation made by Sandoz.

15 THE COURT: I see. So Sandoz is intending to offer  
16 it.

17 MR. HASHMALL: That's correct, and we did counter  
18 designate.

19 THE COURT: All right. Teva's move to prevent Sandoz  
20 from presenting its obviousness defense, I'm denying that  
21 motion. Look, I read the interrogatory responses, and they  
22 certainly weren't as specific or as clear as they could have  
23 been. However, they're clearly intending to identify  
24 obviousness as a defense in view of the '550 patent as a basis  
25 for invalidating the patents in suit. And I think I've read

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1 some of Dr. Rice's testimony in addition to reading the quotes  
2 in Sandoz' letters, and certainly some of those facts were  
3 relevant to an obviousness analysis. And I don't believe Teva  
4 will suffer any prejudice from Sandoz' presentation of its  
5 obviousness defense. It's highlighted as serving the same  
6 defense.

7 Lastly, Mylan has made a motion in limine to preclude  
8 Teva from offering evidence of unexpected results over the  
9 course of prior art and I guess that having read it, the crux  
10 of the motion is that Teva's evidence is insufficient to  
11 establish unexpected results to overcome a prima facie case of  
12 obviousness. I don't know. I can't make that finding now  
13 through an in limine motion, I'm going to hear the evidence.  
14 After I do, then I can determine that particular question.

15 All right. Those are the three motions that I wanted  
16 to give you my rulings on.

17 Lastly, just in terms of scheduling, I read your  
18 letter. If the trial extends beyond September 23, because of  
19 the Jewish holidays, Rosh Hashana and my own availability, the  
20 trial will resume the week of October 3. I understand that's  
21 good for all the parties, is that right?

22 Is there any other housekeeping matter before we go  
23 forward?

24 MS. BLOODWORTH: Yes, your Honor. We have one more.  
25 We had submitted a pro hac vice application for David Jones, my

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1 colleague from the Madison office and there's been no  
2 objection. I spoke with plaintiff's counsel and Sandoz counsel  
3 this morning and we request that be granted.

4 THE COURT: All right, I'll grant it right now.

5 MS. BLOODWORTH: Thank you.

6 THE COURT: Was it David Jones?

7 MR. JONES: Yes, your Honor.

8 THE COURT: Opening statements, then.

9 MR. DOYLE: Your Honor, if I could make one very brief  
10 statement for the record?

11 THE COURT: Sure, go ahead.

12 MR. DOYLE: Just relating to the claim construction  
13 order. For the record, your Honor, Sandoz' objection to the  
14 Court's claim construction needs to be noted and I'm noting it  
15 now and Sandoz does maintain that the claim constructions that  
16 it advocated are the correct claim constructions and I wanted  
17 to of course indicate Sandoz will apply the Court's claim  
18 constructions throughout the trial and we do ask the Court to  
19 consider all the evidence once it had heard all the evidence in  
20 connection with claim construction issues that are relevant to  
21 its ultimate findings of fact and conclusions of law.

22 Thank you, your Honor.

23 THE COURT: All right. Thank you, Mr. Doyle.  
24 Ms. Holland, are you going to begin?

25 MS. HOLLAND: Yes. Thank you, your Honor.

1           Good morning. Sandoz' and Mylan's defenses have been  
2 a moving target since the beginning of this case. At first  
3 Sandoz said its best defense was indefiniteness. In fact, it  
4 said it was such a strong defense that the case could be  
5 disposed of on summary judgment. When Sandoz' motion for  
6 summary judgment on indefiniteness was denied then inequitable  
7 conduct became its best defense and Mylan asked for an early  
8 trial on that issue.

9           THE COURT: Ms. Holland, I'm going to ask you to slow  
10 down a bit before the reporter does.

11          MS. HOLLAND: I'll move closer.

12          THE COURT: Okay, thank you.

13          MS. HOLLAND: So what remains here for trial, your  
14 Honor, are essentially defendant's third tier defenses. So  
15 what are we left with here? On infringement what remains after  
16 the Court's claim construction is Mylan's argument that it  
17 doesn't infringe because its product isn't copolymer-1 and as  
18 your Honor knows after three years of litigation Sandoz for the  
19 first time two weeks ago decided that its product also wasn't  
20 copolymer-1.

21          On invalidity, defendants can't even agree among  
22 themselves what their defenses should be. Mylan says that the  
23 claims are anticipated and obvious over the '550 patent.  
24 Sandoz doesn't make any kind of anticipation argument and it's  
25 obviousness argument was not even fleshed out until two weeks



1 ago. Sandoz, on the other hand, continues to argue here that  
2 the claims are indefinite because the patents in suit don't  
3 have the specific calibration standards that Teva used in its  
4 laboratory to do its SEC analysis and apparently Sandoz is no  
5 longer asserting that the conditions aren't stated would be a  
6 basis for indefiniteness. But Mylan in any event is no longer  
7 presenting this defense at all.

8 Both defendants say that the inventor, Mr. Konfino,  
9 had a best mode for removing an impurity or minimizing an  
10 impurity called bromotyrosine and that this best mode didn't  
11 appear in the patent, but, again, defendants can't even agree  
12 on what Mr. Konfino's best mode was and the evidence is going  
13 to show that their best mode arguments are actually  
14 inconsistent with each other.

15 In any event, whatever their best mode is it's not  
16 anything that has to do with Mr. Konfino as we have here. Was  
17 a manufacturing specification. It has to do with the  
18 commercial product. Mr. Konfino was a bench chemist working in  
19 his laboratory. He didn't set any kind of specification for  
20 bromotyrosine. You're also not going to hear a single expert  
21 get up on the stand and say this bromotyrosine impurity has any  
22 effect on efficacy, or on safety of copolymer-1. It just  
23 doesn't make any difference in the product.

24 What I'd like to do for the next couple of minutes is  
25 just to focus in on a couple of these defenses in a little more

1 detail. Let me start first with infringement. As I said  
2 earlier, based on the Court's claim construction defendants  
3 aren't contesting that their products meet almost all of the  
4 limitations of the asserted claims, including the average  
5 molecular weight limitations. Since defendants, your Honor,  
6 have refused to enter into a stipulation on this, we're going  
7 to be spending the next couple of days presenting evidence that  
8 shows that the Sandoz product and Mylan product meet each and  
9 every limitation of the asserted claims. So the only  
10 non-infringement defense that Mylan continues to press here is  
11 that its product isn't copolymer-1 because it doesn't have the  
12 right molar ratio. The fact that this is a completely  
13 litigation-driven argument, your Honor, becomes very evident  
14 when we look at what Mylan told the FDA in its FDA filings  
15 outside the context of this litigation. So what we have here,  
16 your Honor, is from Mylan's ANDA and as you can see the formal  
17 name for its actual ingredient is called glatiramer acetate,  
18 that's the active ingredient in Copaxone as well, but Mylan  
19 told the FDA that another name for the active ingredient is  
20 copolymer-1.

21 And what's really important to focus in on here, your  
22 Honor, is at the bottom where it shows the average molar  
23 fractions. The average molar fractions represent the  
24 percentages of the four amino acids in the product and this is  
25 the information you use to get to the molar ratios. These are

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1 the exact same molar fractions that you're going to hear Mylan  
2 tell you mean that its product is not copolymer-1. But when it  
3 spoke to the FDA, Mylan said these very same molar fractions,  
4 this very same product is copolymer-1. Now, remember, your  
5 honor, Sandoz never even made this argument until two weeks  
6 ago. For the first two years of this litigation Sandoz  
7 acknowledged as it had to that its product was copolymer-1 and  
8 if we look again at how Sandoz characterized its product  
9 outside the context of this litigation we'll see why it never  
10 asserted it wasn't copolymer-1.

11 This is from a 2005 internal report from Momenta, and  
12 Momenta is Sandoz' partner in its generic product. As you can  
13 see here again, what Momenta and Sandoz are saying is the  
14 active ingredient in its product is copolymer-1 and again shows  
15 the molar fractions, the percentages of these of these four  
16 amino acids in its product. These are the same molar fractions  
17 you're going to be hearing about during the course of this  
18 case. These are the same molar fractions, your Honor, that  
19 appeared in the July 2011 briefing book that we discussed at  
20 the pretrial conference. So what this shows, your Honor, is  
21 that Sandoz understood that these molar fractions, molar ratios  
22 of its product meant that its product was copolymer-1 and as I  
23 said at the pretrial conference, bringing this up at the last  
24 minute based on this July 2011 briefing book, it was just a  
25 pretext to get this defense into the case.

1           Now, your Honor, we've been discussing this term molar  
2 ratio at a lot of the pretrial conferences, so I think we  
3 should spend some time discussing exactly what that is and why  
4 the Mylan and Sandoz products meet the molar ratios of the  
5 claims.

6           So just to go back for a minute, copolymer-1 is a  
7 mixture, of polypeptides, different chains of different lengths  
8 but all these chains contain these four amino acids that are  
9 listed here; alanine, glutamic acid, lysine and tyrosine. In  
10 any copolymer-1 mixture those are going to be the four amino  
11 acids that appear in the polypeptide chain, a chain of  
12 different lengths, different sequences, but those are the four  
13 that appear.

14           When we talk about the molar ratio, what we mean are  
15 the ratios of these four amino acids in the mixture, and molar  
16 ratio refers to the ratio of moles, which is just a unit of  
17 measurement that chemists use, but it's the relevant proportion  
18 of these four amino acids in the mixture. So when the claim  
19 requires a molar ratio of approximately 6:2:5:1, what it means  
20 is that any copolymer-1 mixture is going to have these four  
21 amino acids in approximately this relative proportion to each  
22 other, six alanine to two glutamic acid to five lysine to one  
23 tyrosine, and that's going to be any copolymer-1 mixture,  
24 approximately that ratio.

25           Now, I think the best way to illustrate this is to

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1 think about a single polypeptide chain in the copolymer-1  
2 mixture and what I have here on the screen is a chain of 14  
3 amino acids and that's probably the most convenient way to look  
4 at this, because the molar ratio is 6:2:5:1, and if you add  
5 that up it comes out to 14. So for illustrative purposes it's  
6 easier to look at it this way. So in this chain of 14 amino  
7 acids, six of the 14 would be alanine, so that's approximately  
8 43 percent; two of the 14 would be glutamic acid, approximately  
9 14 percent; five of the 14 would be lysine, approximately  
10 36 percent; and one of the 14 would be tyrosine, approximately  
11 7 percent. So really, your Honor, this is the crux here of the  
12 molar ratio and what it means.

13 If you look at a sample, the question we're asking  
14 here for molar ratio is does this sample have approximately 43  
15 percent alanine, 14 percent glutamic acid, 36 percent lysine  
16 and 2 percent tyrosine. That would go for any copolymer-1  
17 mixture any length of chain.

18 So you can apply the same thing to a chain, for  
19 example, of 70 amino acids, and the reason I chose 70 here,  
20 your Honor, is because that would be the length of chain of  
21 amino acids for a copolymer-1 polypeptide that was about 7.5  
22 kilodaltons, kind of in the middle of the five to nine  
23 kilodalton range. If you think about an average length of  
24 chain of a polypeptide in copolymer-1 it would be 30 out of 70  
25 or 43 percent alanine, 10 out of 70 or 10 percent glutamic

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1 acid, 25 out of 70 or 36 percent lysine and five out of 70 or  
2 approximately 7 percent tyrosine. That's the fundamental  
3 concept.

4 We have to determine the ratios or the proportion of  
5 these four amino acids as part of the total copolymer-1  
6 mixture. So let's apply this now to the Mylan and Sandoz  
7 products.

8 So let's talk about Mylan first. Your Honor, I showed  
9 you those molar fractions in the ANDA and this comes out of  
10 Mylan's ANDA. These are the molar fractions Mylan tells the  
11 FDA it has in its product; .427 alanine, .144 glutamic acid,  
12 .336 lysine, and .092 tyrosine. If you express those as  
13 percentages, as I did on the previous slides, it's  
14 approximately 43 percent alanine, 14 percent glutamic acid,  
15 34 percent lysine and 9 percent tyrosine. That's what Mylan's  
16 product is. When you compare that to exactly 6:2:5:1 that I  
17 showed on the slide earlier, you see the alanine/glutamic acid  
18 spot on exact same percentages. The only difference is in  
19 lysine, the tyrosine. 2 percent less lysine, 2 percent more  
20 tyrosine. Your Honor, this is well within what any of the  
21 experts in this case, 2 percent or 4 percent total would say  
22 falls within approximately 6:2:5:1.

23 And it's the same thing for the Sandoz product, your  
24 Honor. The molar fractions that I have here on the screen come  
25 from the July 2011 briefing book. But we see the same thing.

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1 Alanine/glutamic acid, same percentages as exactly 6:2:5:1.  
2 Only difference is 2 percent less lysine 2 percent more  
3 tyrosine, again well within what any expert or anyone in  
4 skilled in the art would consider to be approximately 6:2:5:1.

5 And if you just think about this again in the context  
6 of what are we actually talking about, what does this 2 percent  
7 actually mean in a copolymer-1 polypeptide, let's go back to  
8 the 70 amino acid polypeptide we discussed earlier. And this  
9 2 percent difference in lysine and tyrosine, your Honor, in a  
10 70 amino acid chain, an average chain, would amount to one more  
11 tyrosine out of 70 amino acids and one less lysine, your Honor.  
12 That's it. That's the difference between the products of Mylan  
13 and Sandoz and exactly 6:2:5:1. This is what defendants say  
14 makes their product not copolymer-1.

15 I want to talk for a moment about an argument that  
16 Mylan makes. They say you have to do a mathematical  
17 manipulation called normalizing to tyrosine before you compare  
18 their molar ratios to 6:2:5:1. You see on the screen  
19 normalizing means essentially fixing the values of one of the  
20 amino acids and comparing the other three to the fixed values  
21 so you're not looking any more at the percentage of the total  
22 mixture, you're looking at the percentages of, in the case of  
23 tyrosine, for example, alanine, glutamic acid and lysine a  
24 compared to tyrosine, so the numbers come out a little  
25 different for that reason.

1 First of all, your Honor, there's nothing whatsoever  
2 in the patent about normalizing for tyrosine. It's not there  
3 at all. But what's really important is that normalizing the  
4 tyrosine is really just a different way of displaying these  
5 molar fraction percentages. It doesn't change the conclusion  
6 of the percentages of each of these four amino acids in the  
7 copolymer-1 position. So, for example, if you look at product  
8 normalized to tyrosine, you'll see that the total scale on the  
9 bottom is 10.86. So if you add up the 4.64, 1.57, 3.65 and 1,  
10 you get to 10.86.

11 Before we were looking at it on a scale of 14, now  
12 it's 10.86. But if you take the percentages of each of those  
13 amino acids out of 10.86, your Honor, you see it's the exact  
14 same percentages we saw earlier. Normalizing to tyrosine, it  
15 cant's change what's actually in the mixture. It's just a  
16 different way of looking at the numbers. And if you normalize  
17 to tyrosine and look at it on the same scale you get the same  
18 answer. The only difference is in the lysine and tyrosine,  
19 that 2 percent.

20 Now, Mylan normalizes to tyrosine because if you look  
21 at the numbers it makes it look like it's the biggest  
22 difference in numbers from 6:2:5:1, but you can actually  
23 normalize any of the formula because all it means is the fixing  
24 of the values. Again, your Honor, if you do the math you'll  
25 see they're all on a different scale if you normalize, but if



1 you do the percentages based on the right scale for each of  
2 these normalized numbers you get the same answer. Any way you  
3 look at it, your Honor, the percentages of the four amino acids  
4 in the mixture, the only difference from exactly 6:2:5:1 for  
5 the products in this case is this small 2 percent difference in  
6 lysine and tyrosine.

7 I want to turn next to Sandoz products that the  
8 patents are indefinite or not enabled because again they don't  
9 disclose the exact calibration standards that Teva used in its  
10 laboratory to conduct this analysis. And this, of course, is  
11 the same issue that Sandoz and Mylan raised in their summary  
12 judgment motions and, again, Mylan isn't even making this  
13 argument anymore. But there's nothing new here, your Honor.  
14 According to its pretrial brief what Sandoz is going to be  
15 arguing is the same thing it argued before, that it had a lot  
16 of trouble developing a generic Copaxone product and this  
17 somehow indicates the patent wasn't enabled. But what is at  
18 issue here, your Honor, is whether a person of ordinary skill  
19 in the art can figure out whether a sample of copolymer-1 fell  
20 within the weight limitations. That's it. Mylan and Sandoz  
21 are not making this argument anymore. They actually had no  
22 trouble figuring out how to determine the molecular weight of  
23 the copolymer 1 sample.

24 This is from a document that Mylan submitted to the  
25 FDA in responses to Teva's submissions and what Mylan said to

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1 the FDA was there are testing methods, testing systems that you  
2 can use to determine the average molecular weight ranges of a  
3 copolymer-1 sample and that these could be easily employed for  
4 any generic version of Copaxone. So Mylan understood that it's  
5 not hard to determine the average molecular weight of a  
6 copolymer-1 sample. These are easy testing methods that could  
7 be input for any generic version of Copaxone. In fact, your  
8 Honor, Mylan actually used universal calibration, which is a  
9 technique that Sandoz says can't be used to figure out  
10 accurately the molecular weight of copolymer-1, but Mylan did  
11 use universal calibrations and submitted the results to the  
12 FDA.

13           You're also not going to hear at trial from defendants  
14 or Sandoz expert Dr. Svek. Now, you may recall Dr. Svek from  
15 the claim construction stage, your Honor. He was Sandoz'  
16 expert at the claim construction stage, but he wasn't invited  
17 by Sandoz to come to trial here. And if you look at what he  
18 said at his deposition it's not hard to figure out why you  
19 won't be seeing him live. This is from Dr. Svek's October 2009  
20 deposition. This is part of the designated deposition  
21 testimony in this case. Dr. Svek was asked in his deposition,  
22 "In 1994 if someone has given you a sample of copolymer-1 would  
23 you have been able to determine whether it had a molecular  
24 weight between 5,000 and 9,000" -- it should say daltons it  
25 says kilodaltons.

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1           And he said, "Probably yes, yes." Exactly the  
2 opposite of what Sandoz is going to be arguing to the Court  
3 here during this trial.

4           It's also important to understand that what Sandoz and  
5 Momenta have to do to establish for FDA purposes that their  
6 generic product is the same as Copaxone is an entirely  
7 different analysis than what we're doing here in this courtroom  
8 because what is important here only is whether a person of  
9 ordinary skill in the art would be able to determine whether a  
10 copolymer-1 sample fell within the molecular weight limitations  
11 of the claims.

12           Now, I have a slide I want to use, your Honor, but I  
13 think it's only going to come out on our private screens  
14 because I understand there's a confidentiality issue.

15           THE COURT: Okay.

16           MS. HOLLAND: For patent purposes your Honor, and the  
17 argument that Sandoz is making here, that the molecular weight  
18 limitation is enabled, a person with ordinary skill in the art  
19 could figure out whether it meets that limitation. But what we  
20 have here on the right, your Honor, is a listing of only some  
21 of the tests that Sandoz had to do in order to get its ANDA on  
22 file. They had to perform dozens and dozens of analyses of all  
23 different kinds of characteristics of its product and compare  
24 them to Copaxone, all different kinds of parameters that had  
25 nothing to do with molecular weight. They did have to do a

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1 molecular weight determination, but that was a very small  
2 fraction of what had to be done by Sandoz in order to develop  
3 its generic Copaxone products so evidence of what Sandoz had to  
4 do to try to develop a generic Copaxone product doesn't have  
5 any relevance to whether or not a person of ordinary skill in  
6 1994 would have been able to determine whether a copolymer-1  
7 sample fell within the molecular weight limitations.

8 Just as the final point, your Honor, the primary prior  
9 art references that are going to be referred to that were  
10 relied on here by defendants for their anticipation and  
11 obviousness arguments are the '550 patent and the 620 EP  
12 publication. Both of those references were thoroughly  
13 considered by the Patent Office over years and years of  
14 prosecution and the Patent Office decided that the patent  
15 claims were not obvious, they were not anticipated for either  
16 of those references. So as the federal circuit has told us in  
17 that kind of situation defendant's burden here is even higher  
18 than it ordinarily would be. And, your Honor, the evidence is  
19 going to show there's no reason for the Court to come to any  
20 different conclusion than the one that was reached by the  
21 Patent Office.

22 In sum, your Honor, the evidence is going to show that  
23 the Mylan and Sandoz products here are of course copolymer-1  
24 and they meet all the other claim limitations and defendant  
25 will not be able to meet their burden by proving by clear and

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1 convincing evidence that any of the patent claims asserted here  
2 are invalid. Thank you.

3 THE COURT: Thank you, Ms. Holland. Ms. Bloodworth?

4 MS. BLOODWORTH: Yes, your Honor. Thank you, your  
5 Honor. The court reporter is ready? My name is Shannon  
6 Bloodworth and I'm going to speak on behalf of the Mylar  
7 codefendants. What I'm going to spend my time focusing on is a  
8 critical point of distinction between Copaxone and the Weizmann  
9 copolymer-1. Simply put, Mylan will show that the copolymer-1  
10 that is described in the patents in suit, is not the  
11 copolymer-1 product that Teva disclosed to the FDA for approval  
12 to market as Copaxone and is not the same as Mylan's product.  
13 Rather, the patents in suit cover an old composition of  
14 copolymer-1 dating back to the early 1970's. To be sure, Teva  
15 alleges that the patents in suit disclose copolymer-1 having a  
16 slightly lower molecular weight than the old copolymer-1, but  
17 the composition of the old copolymer-1 disclosed in the patents  
18 in suit in the 1970's are the same, and they share essentially  
19 the same molar ratio.

20 This ratio in the '808 patent, as you heard  
21 Ms. Holland say is approximately 6:2:5:1. What this means is  
22 there's a chemical composition of copolymer-1 where there are  
23 six alanines for every two glutamic acids for every five  
24 lysines for every one tyrosine. As I'll explain, this 6:2:5:1  
25 ratio differs substantially from the ratios in Copaxone and in

1 Mylan's proposed glatiramer acetate product, and this  
2 substantial difference in the molar ratio is why Mylan's patent  
3 does not infringe on the patents in suit.

4 So why is there a difference? The patents in suit  
5 disclose a process for making copolymer-1 that result in a  
6 thick and unwanted amino acid called bromotyrosine. By  
7 contrast, Copaxone, in Teva's own words, is significantly  
8 improved.

9 In the summer of 1989, a Teva scientist by the name of  
10 Mr. Eliezer Konfino identified bromotyrosine. And Mr. Konfino  
11 determined that bromotyrosine is formed during the second step  
12 in the copolymer-1 synthesis, when the free bromine present  
13 during the HBr or hydrobromic acid in acidic acid solutions  
14 bonds with approximately 30 percent of the tyrosine amino acids  
15 in the copolymer-1 polypeptide chains. So the free bromine is  
16 present in HBr acidic acid solution, bind with tyrosine  
17 approximately 30 percent of the time to form bromotyrosine.  
18 This doesn't happen one time with one 70 amino acid polypeptide  
19 chains. There are millions of chains in copolymer-1. This  
20 bond irreversibly converts those tyrosines to bromotyrosine,  
21 the fifth amino acid.

22 So Mr. Konfino experimented to find a way to prevent  
23 bromotyrosine from forming during copolymer-1 synthesis. His  
24 solution uses a chemical called phenol to scavenge the free  
25 bromine in the HBr acidic acid solution to prevent the

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1 formation of bromotyrosine. So the phenol is used with the  
2 solution and it will bond with the bromines so they are no  
3 longer free to bond with the tyrosines in the copolymer-1  
4 chain. The result, a form of copolymer-1 largely free of  
5 bromotyrosine and without about 30 percent more tyrosine than  
6 that found in the old form of copolymer-1.

7 Now, there's a 30 percent, about 30 percent more  
8 tyrosine because almost none of it is converted to  
9 bromotyrosine thanks to the use of phenol. The new form, the  
10 free of bromotyrosine form, is what is marketed as Copaxone.  
11 It has a molar ratio of 4.5 alanine to 1.5 glutamic acid to 3.6  
12 lysine for every one tyrosine. Now, the Copaxone molar ratio  
13 is not approximately 6:2:5:1 just disclosed in the patents in  
14 suit and that's because is more tyrosine in Copaxone than in  
15 the old form of copolymer-1. And because there is more  
16 tyrosine, the other three amino acids are reduced. That's the  
17 essence of a ratio. They're different compositions and they  
18 have different molar ratios.

19 Mylan, like Teva, uses phenol to produce its  
20 glatiramer acetate. Consequently, Mylan's product like  
21 Copaxone, is substantially free of bromotyrosine and has a  
22 molar ratio of approximately 4.6 alanine, 1.6 glutamic acid,  
23 3.7 lysine for every one tyrosine. And you will hear testimony  
24 from Mylan's expert, Dr. Steven Kent, who will explain that the  
25 Mylan molar ratio is not approximately 6:2:5:1. The Mylan

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1 product has a fundamentally different composition than the  
2 copolymer-1 claimed in the patents in suit, and this means that  
3 the Mylan product does not infringe any of the patents in suit  
4 which all define copolymer-1 as having a ratio of approximately  
5 6:2:5:1.

6 Now, as you heard a little bit in the beginning in the  
7 opening from Ms. Holland, Teva will try to downplay the  
8 importance of this new form of copolymer-1 or Copaxone, and  
9 Mr. Konfino's process for making it, but the science and Teva's  
10 documents tell a very different story. For example, an  
11 internal document apparently used phenol to rid copolymer-1 of  
12 the bromotyrosine is a, quote, a major improvement in the  
13 production process, and Mr. Konfino himself declared the use of  
14 phenol to be the, quote, most convenient process for  
15 synthesizing low bromotyrosine cop-1. Indeed, the virtue of  
16 Mr. Konfino's discovery was quickly recognized by Teva and by  
17 December 1989 Mr. Konfino's boss, Dr. Lenol approved a new Teva  
18 manufacturing protocol that incorporated Mr. Konfino's phenol  
19 process. And later when Teva applied for an approval to market  
20 Copaxone, Teva disclosed this improved form of copolymer-1 and  
21 the use of phenol for making it in a confidential submission to  
22 the FDA. To this day Teva makes the improved form of  
23 copolymer-1, manufactured using phenol and sells it as  
24 Copaxone.

25 Now, the evidence will further show that prior to this



1 litigation when plaintiffs calculated the molar ratio Copaxone,  
2 they did so in the same manner that Dr. Kent will explain. For  
3 instance, Yeda, Teva's partner and coplaintiff in this case  
4 obtained the '287 patent in 2004. This patent is not asserted  
5 here, your Honor, but it is known as the Gad patent under the  
6 first named inventor Dr. Gad. In this patent it claims or it  
7 describes the molar fractions of glatiramer acetate to be .427  
8 alanine, .141 for glutamic acid, .337 for lysine and .098 for  
9 tyrosine. The molar fractions are the underlying data used to  
10 calculate the molar ratios, and the Gad patent also defines the  
11 molar ratio for glatiramer acetate as approximately 4.6 to 1.5  
12 to 3.6 to 1. If there's no material difference in  
13 approximately 6:2:5:1 to the molar ratio recorded in the Gad  
14 patent for glatiramer acetate, then why here is it reported as  
15 approximately 6:2:5:1? The answer is because they are  
16 different. They describe very different copolymer-1  
17 compositions.

18 And, interestingly, Dr. Gad also calculated the molar  
19 ratio in the same way that Dr. Kent did. Dr. Gad divided by  
20 the least abundant amino molar fraction, tyrosine, and he  
21 divided across the four amino acids and you get the molar ratio  
22 of 4.6 to 1.5 to 3.6 to 1. The result is a molar ratio  
23 indistinguishable from Mylan's and Copaxone's molar ratio.

24 Now, according to Ms. Holland, Mylan has erred in the  
25 way we calculated the molar ratio. But as we just saw in the

1 Gad patent, Mylan's calculations of the molar ratio are the  
2 same way that Yeda reported the molar ratios in the Gad patent.  
3 But even using Teva's expert method to calculate the molar  
4 ratio where you add up 6:2:5:1 and multiply by 14, you'll still  
5 see a 30 percent, about 30 percent difference in the tyrosines.  
6 I don't have Ms. Holland's slides, but you'll recall that one  
7 of the numbers was 1.29 for tyrosine, one was a 1.33, I  
8 believe, that's about a 30 percent difference between 1. And  
9 Teva's expert gets rid of this extra tyrosine by rounding it  
10 down to one. As Dr. Kent will explain, rounding has no place  
11 in a field characterized by precision, particularly when doing  
12 so obscures an approximately 30 percent difference between the  
13 old copolymer-1 and the composition known as Copaxone.

14 Interestingly enough, Teva did also eventually patent  
15 its phenol process in 2009, in the '072 patent or also what we  
16 call the Dolitzky patent after the first named inventor. Teva  
17 has also not asserted this patent in this litigation. But the  
18 Dolitzky patent is important for two reasons. First, it shows  
19 that Teva believed the use of phenol to obtain low  
20 bromotyrosine cop-1 was an improvement worthy of additional  
21 patent protection. Secondly, the '072 patent has approximately  
22 the same molar fractions that were reported in the Gad patent  
23 and he used the same normalization calculation as did Mylan, as  
24 did the Gad patent. You'll see that the molar ratios are once  
25 again substantially different.

1           So again, we'll see the molar ratio in the Dolitzky  
2 patent of Teva's, the Gad patent in Yeda and the normalization  
3 calculations are all substantially different and much different  
4 than the approximately 6:2:5:1 in the patents.

5           But Copaxone which was made using the phenol to  
6 eliminate or substantially reduce the presence of bromotyrosine  
7 is not described in the patents. In fact, neither phenol nor  
8 bromotyrosine is mentioned at all anywhere in the patents in  
9 suit. In the patents in suit Teva omitted the impact that the  
10 use of phenol had on the molar ratio of Copaxone choosing  
11 instead to report the old copolymer-1 ratio of 6:2:5:1. Teva  
12 has to prove today by a preponderance of the evidence that  
13 Mylan's glatiramer acetate is what is claimed in the patents in  
14 suit. It's not enough to say Mylan's glatiramer acetate was  
15 the same as Copaxone. It's not the proper legal comparison.  
16 So the comparison that must be made, therefore, is between  
17 Mylan's proposed glatiramer acetate product and the claims of  
18 the patents in suit. All that's required is approximately  
19 6:2:5:1, and when this comparison is made it is claimed that  
20 the Mylan product, like Copaxone made with phenol to reduce  
21 bromotyrosine simply does not fall within the ratio disclosed  
22 in the patents.

23           Finally, in the invalidity portion of the trial the  
24 evidence will show that Teva failed to disclose its use of  
25 phenol to achieve low bromotyrosine cop-1. The evidence will

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1 show, particularly through the testimony of Dr. Alan Zeiger  
2 that nothing was added by the '808 patent to the process of  
3 what was invented at the Weizmann Institute and claimed in 1974  
4 in the '550 patent. All Teva did was disclose and use obvious  
5 steps pertaining to the art to purify the Weizmann copolymer-1  
6 to a molecular weight that still overlapped with the '550  
7 patent. In short, Dr. Zeiger will explain that Teva simply  
8 patented an old process with only obviousness modifications.

9 Thank you, your Honor.

10 THE COURT: Thank you Ms. Bloodworth. Mr. Doyle.

11 MR. DOYLE: Your Honor, Ms. Hagberg will be presenting  
12 the opening for Sandoz.

13 THE COURT: All right.

14 MR. HAGBERG: Your Honor, my first challenge is  
15 getting to the podium.

16 MS. HOLLAND: Your Honor, is this the same thing  
17 that's on the screen?

18 MR. HAGBERG: We'll be moving back and forth. There  
19 isn't any other space in the courtroom.

20 THE COURT: I think maybe you can move it back. I'll  
21 be able to see and counsel can stand there.

22 MR. HAGBERG: Good morning, your Honor. I think this  
23 is the first time I've spoken here in this case. As Mr. Doyle  
24 said, I'm Karen Hagberg. I'm from the New York office of  
25 Morrison Foster.

1           Your Honor, I'm going to be focusing on enablement  
2 here today, which contrary to what Ms. Holland said it's  
3 neither a new defense nor is it by any means a third tier  
4 defense of Sandoz and Momenta. As your Honor knows from the  
5 inequitable conduct portion of this trial, the path of this  
6 dispute to the courtroom this morning has been a very, very  
7 long one, and as Dr. Arnon testified, that path started about  
8 40 years ago and that's why we have this time line, your Honor,  
9 is just to show how long it took for Teva to get to the  
10 position that it's at today.

11           Dr. Arnon's work started 40 years ago at the Weizmann  
12 Institute when they first formulated and began experimenting  
13 with copolymer-1. That work resulted in the '550 patent which  
14 we have up there on the time line and the application was filed  
15 in 1971 and the patent issued in 1974. And at the time of that  
16 filing, what did Teva represent? It noted that copolymers  
17 according to the present invention are easily prepared by  
18 conventional procedures. 20 years later in 1994, the next date  
19 on the time line, in its first filing related to the patents  
20 that are at suit here, Teva repeated basically the same  
21 representation that it told the Patent Office in 1971.  
22 Copolymer-1, according to the present invention, may be  
23 prepared by methods known in the art. For example, the process  
24 disclosed in the '550 patent. In other words, what Teva has  
25 consistently told the Patent Office over the last 30 years is

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1 that copolymer-1 is prepared merely by following methods known  
2 in the art, but these statements in the '550 patent and present  
3 in all the patents that are at issue here today contrast  
4 dramatically with the testimony of Dr. Pinchasi that you heard  
5 in July.

6 In July Dr. Pinchasi could not have been clearer. One  
7 of the two strategies that Teva depended on in order to avoid  
8 competition from generic producers of copolymer-1 was the  
9 difficulty that Teva had experienced in producing its product,  
10 and she basically said that we realized very quickly when we  
11 started to experiment with the substance that it's absolutely  
12 not a simple product and it's not easily reproducible, so we  
13 felt this by itself is going to constitute a relatively high  
14 level of entrance for generic companies.

15 The evidence in this case will confirm that that was  
16 indeed the strategy that Teva followed, and that Dr. Pinchasi's  
17 July testimony in this regard is absolutely correct. The  
18 evidence will show that Teva itself spent many, many difficult  
19 years experimenting and learning how to measure the molecular  
20 weight of copolymer-1. And the evidence will also show that  
21 Teva kept critical aspects of the knowledge that it gained over  
22 all those years to itself. Teva did not, as the law requires,  
23 disclose in its patent how one skilled in the art could  
24 determine the copolymer-1 that it was producing had the same  
25 molecular weight as is required by the patent claims. And I

1 put the enablement statute up here just to make clear that  
2 what's required of the patent holder is that the specification  
3 must contain a written description of the invention in such  
4 clear, concise and exact terms as to enable any person skilled  
5 in the art to make and use the same, and the evidence will show  
6 that exactly is what Teva did not do.

7 Now, as your Honor knows, enablement speaks to the  
8 person of ordinary skill in the art at the time of filing of  
9 the patent application, which here is 1995, and there's been  
10 some dispute about what would be known and what wouldn't be  
11 known, but in this case, your Honor doesn't have to decide  
12 enablement just based on what experts are saying in 2011 about  
13 what persons of skill in the art would know or would have done  
14 in 1994. Sandoz will present evidence of what the scientists  
15 at the Weizmann Institute and at Teva did and knew in the dozen  
16 years leading up to the 1998 disclosure of the standards that  
17 they finally decided on after their many, many years of  
18 experimentation.

19 There can be no dispute that these scientists were at  
20 least persons of ordinary skill in the art at the relevant time  
21 period. There can also be no dispute that contrary to Ms.  
22 Holland's argument today that it was easy, that it took these  
23 scientists years of experimentation between 1986 and 1998 to  
24 determine how to accurately and reproducibly measure the  
25 molecular weight of copolymer-1. And if I may, your Honor, we

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1 have a second time line that's just focused on the molecular  
2 weight aspects of the development of copolymer-1. So we start  
3 with 1986, and in those days Teva is using the method that the  
4 Weizmann Institute had been using. As Dr. Arnon confirmed in  
5 her testimony in July the method is ultracentrifugation and the  
6 resulting measurement is weight average molecular weight. By  
7 1987 Teva had switched to size exclusion chromatography, what  
8 is referred as SEC, actually your Honor, just because I found  
9 this interesting, I don't know whether you've ever seen it this  
10 is actually the Superose 12 SEC tube that is used to measure  
11 and that is talked about in the patent. And by the way, this  
12 is really all that the patent discloses is the column and its  
13 filled with the Superose beads. There's nothing in the patent  
14 about the disclosure of the standards that Teva chose in 1994  
15 and 1995 to calibrate that column.

16 So throughout 1987 and 1988, Teva has difficulty  
17 picking the standards to provide an accurate molecular weight  
18 measurement for copolymer-1. First it attempts to use  
19 commercially available globular protein standards, but then it  
20 learns that SEC with these standards produce molecular weight  
21 measurements that are vastly higher than the weight  
22 measurements that were provided by other techniques that they  
23 could provide. In fact as Teva's test results show, the  
24 measurements were at least four to six times higher than  
25 molecular weights determined by viscosity and



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1 ultracentrifugation.

2           So in 1988 Teva uses another set of commercially  
3 available standards, polyethylene glycol, to calibrate the  
4 columns for the molecular weight analysis and they subsequently  
5 abandon that approach as well.

6           Later that same year in 1988, Teva's consultant  
7 attempts to determine absolute molecular weight of copolymer-1  
8 using a technique called osmometry, and they're expecting to  
9 see a value of 7,000 daltons based on prior characterizations.  
10 But what do they get? The osmometry result is only 638 daltons  
11 which is more than tenfold less than the value that they had  
12 obtained by other methods in tests on the same copolymer-1  
13 batch.

14           Now, still within this 1987-1998 time frame, Teva  
15 begins to experiment with the use of copolymer-1 self standards  
16 and it applies a set of calculations to correlate the molecular  
17 weight from viscometry with results from SEC. It continues  
18 with this viscometry correlation procedure until 1992 when it  
19 sets forth a new protocol for its molecular weight calibration.  
20 The new calibration uses as standards which are referred to in  
21 markers in the Teva documents, Teva's own batches of  
22 copolymer-1 whose molecular weights have been characterized by  
23 yet another method, moles. The evidence will show in 1994 Teva  
24 continues to measure molecular weight with this proprietary  
25 molecular weight cell standard. Then in 1995 the FDA steps in

1 and it requests that Teva again tries to use commercially  
2 available SEC standards, and the FDA does so as stated in this  
3 document from Teva's own files that they want to insure that  
4 the molecular weight calibrations can be performed in any  
5 laboratory not relying on a single source for markers, and  
6 again, markers refers to standards.

7 And Teva does try, it tries to find a commercially  
8 available standard, but then it gives up and it reconfirms that  
9 the use of commercially available markers to generate  
10 calibration curves that accurately reflect the molecular weight  
11 of copolymer-1 is not feasible.

12 By now we're up to November of 1995, by the way. So  
13 then what does Teva do? In early 1996, it returns to its  
14 earlier position that the best markers for calibration of the  
15 SEC columns are copolymer-1 batches with a known molecular  
16 weight, in other words we're back to self standards. In 1996  
17 Teva is also attempting to determine the molecular weight of  
18 copolymer-1 by another method, multitop, which is a type of  
19 spectrometry. That molecular weight results in far lower than  
20 even the broad range of values that were determined by the  
21 three other methods for the very same sample.

22 So what do they conclude? They conclude that the  
23 differences are due to the experimental bias of the technique  
24 and how data are calculated and presented, and they say  
25 themselves, therefore, it should be explicitly stated by which

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1 analytical method the molecular weight data were obtained. In  
2 1998 Teva reports to the FDA again that it's changing its  
3 analytical method for determining molecular weight and it  
4 switches its calibration standards from self standards, which  
5 the FDA wasn't in favor of, to synthetic peptide standards,  
6 which finally addresses the FDA concerns over the validity of  
7 self standards as calibration standards. And, by the way,  
8 those peptide standards are the basis of the Gad patent which  
9 issued starting in 2003 and which Teva has asserted in a  
10 separate lawsuit pending before your Honor. So despite all of  
11 this experimentation over so many years Teva did not disclose  
12 its preferred standards. In fact, it didn't disclose any  
13 standards for that matter in the patents that are in suit in  
14 this case.

15           The evidence will show that Teva's answers in '94-'95  
16 to the difficulty of measuring copolymer-1's molecular weight,  
17 the use of self standards, creates an insoluble problem for  
18 persons of skill in the art. Because even assuming that  
19 persons skilled in the art eventually could develop copolymer-1  
20 self standards, the lack of agreement among the methods for  
21 independently determining the molecular weight of those  
22 standards, it would preclude a person skilled in the art from  
23 developing the same calibration curve developed by Teva to  
24 produce the copolymer-1 that's claimed in the patents. And why  
25 is that? As your Honor will hear over the course of the trial,

1 the methods for producing and characterizing Teva's self  
2 standards are not disclosed in the patents, and persons of  
3 skill in the art would not know which method to choose to  
4 characterize molecular weights of their own self standards.

5 As I discussed a few minutes ago, different methods  
6 can give very different results and Teva knew that its use of  
7 self standards and the way to measure those standards should be  
8 explicitly stated. You'll also hear testimony from Sandoz and  
9 Momenta as well regarding problems they encountered in trying  
10 to arrive at molecular weight characteristics that are  
11 described in the commercially packaged Copaxone materials.

12 So I'd like to return to a point that I started with  
13 and that is from Dr. Pinchasi's testimony from the prior trial.  
14 Teva's strategy to keep competitors out was to rely on the  
15 difficulty of producing copolymer-1 and that difficulty you can  
16 see from the time line in how long it took them to get there.  
17 Teva has aggressively implemented that strategy to preclude  
18 generic competition including, as the evidence will show, by  
19 failing to disclose sufficiently enabling data in its patents  
20 and that strategy continues today. Between 2008 and 2010 Teva  
21 filed three citizen petitions with the FDA seeking to prevent  
22 FDA approval of the Sandoz ANDA and in its three petitions Teva  
23 has told the FDA what you'll hear from Sandoz' experts during  
24 the trial, that copolymer-1 is so complex that knowing you have  
25 the same molecular weight distribution in separate copolymer-1

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1 comparisons is essential.

2 (Continued next page)

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1 MS. HAGBERG: As Teva tried to persuade the FDA even  
2 the most minor changes in manufacturing will produce a new  
3 molecular entity with a significantly different potency and  
4 safety and efficacy policy.

5 The evidence at this trial will prove conclusively  
6 that a person of skill in the art must know the SEC standards  
7 to have any confidence that it is producing co-polymer-1 having  
8 the same molecular weight as what Teva claims it invented. And  
9 that is the information that is missing from the patents.  
10 Without that entablement, each of the patents is rendered  
11 invalid.

12 Thank you for your time this morning, your Honor, and  
13 to allow me to emphasize an area of the evidence that Sandoz  
14 and Momenta believe will be very critical to this case

15 THE COURT: Thank you, Ms. Hagberg.

16 All right. I don't think -- do I have a list of  
17 witnesses yet?

18 MS. HOLLAND: Yes, your Honor I believe we did send  
19 one, a list of witnesses. Do we have one -- we can get you a  
20 copy of that, your Honor.

21 THE COURT: Okay, I'm sure it came in. We just didn't  
22 see it.

23 MS. HOLLAND: Yeah, we'll find one.

24 THE COURT: All right. Then are you ready to proceed?

25 MS. HOLLAND: Yes. Mr. Hashmall is going to be

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1 presenting our first witness.

2 THE COURT: Mr. Hashmall.

3 MR. HASHMALL: Good morning, your Honor. Plaintiffs  
4 would call as our first witness Mr. John Congleton.

5 JOHN CONGLETON,

6 called as a witness by the plaintiff,

7 having been duly sworn, testified as follows:

8 DIRECT EXAMINATION

9 BY MR. HASHMALL:

10 THE COURT: Take your seat, and spell your last  
11 name -- state your full name and spell your last name for the  
12 record.

13 THE WITNESS: John Congleton, C-O-N-G-L-E-T-O-N.

14 MR. HASHMALL: May I proceed, your Honor?

15 THE COURT: You may proceed.

16 MR. HASHMALL: Thank you.

17 Q. Good morning.

18 A. Good morning.

19 Q. Mr. Congleton, could you please introduce yourself to the  
20 Court?

21 A. Yes. My name is John Congleton. I'm senior vice-president  
22 and general manager for Teva Neuroscience.

23 Q. Could you tell us a little bit about Teva Neuroscience, its  
24 business?

25 A. Yes. Teva Neuroscience is focused on the commercialization

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1 of Copaxone, as well Azilect for Teva in the United States.

2 Q. Where is Teva Neuroscience located?

3 A. It's located in Kansas City, Missouri.

4 Q. Approximately, how many people does Teva Neuroscience  
5 currently employ?

6 A. Approximately 600.

7 Q. When was Teva Neuroscience founded?

8 A. Teva Neuroscience was founded in 1995.

9 Q. Now, what is the relationship between Teva Neuroscience and  
10 the plaintiff in this action, Teva Pharmaceutical Industries?

11 A. Teva Neuroscience is a subsidiary of Teva Pharmaceutical  
12 Industries.

13 Q. And you know when Teva Pharmaceutical Industries was  
14 founded?

15 A. In 1901.

16 Q. You mentioned that Teva Neuroscience is in the business of  
17 selling Teva's branded products, is that correct?

18 A. Yes.

19 Q. Does Teva also sell, Teva Pharmaceuticals also sell generic  
20 products?

21 A. Yes, it does.

22 Q. Do you know overall for Teva's business approximately how  
23 much of its sales derives from generic products and how much  
24 derives from branded products?

25 A. Approximately 70 percent is from generics, and



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1 approximately 30 percent is from brand pharmaceuticals.

2 Q. Now, you testified that you currently, you are currently  
3 senior vice-president and general manager of Teva Neuroscience.  
4 Could you briefly describe for the Court what your  
5 responsibilities are in that position?

6 A. Yes. I'm accountable for the sales and profits of the  
7 products that Teva Neuroscience commercializes, Copaxone and  
8 Azilect.

9 Q. Approximately, how many people report to you currently,  
10 Mr. Congleton?

11 A. Approximately 450.

12 Q. And how long have you been employed by Teva Neuroscience?

13 A. A little over 15 years.

14 Q. Could you briefly describe your educational and  
15 professional background prior to you joining Teva Neuroscience?

16 A. Yes. I have a bachelors degree in marketing from Kansas  
17 State University, started off in field sales in pharmaceuticals  
18 developmental roles, field sales manager position prior to  
19 joining Teva Neuroscience.

20 Q. Could you tell us a little bit about your employment prior  
21 to joining Teva Neuroscience?

22 A. That's the pharmaceutical sales rep, developmental role,  
23 human resource in field base sales manager.

24 Q. Do you have any degree in chemistry or biology?

25 A. No, I do not.

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1 Q. Now, since joining Teva Neuroscience, what positions have  
2 you held at the company?

3 A. I have been a field sales manager, a product manager and a  
4 marketing department, the product director for Copaxone,  
5 general manager for our Canadian Division of Teva Neuroscience,  
6 as well as my current position, general manager for the United  
7 States division.

8 Q. Prior to you taking on your current position, could you  
9 just generally describe what your responsibilities have been  
10 with respect to Copaxone?

11 A. Yes. I started off as a product manager prelaunch  
12 preparing that product, and moved into the director of  
13 marketing for Copaxone as well.

14 Q. And do you continue to have responsibilities currently with  
15 respect to Copaxone?

16 A. Yes. It's under my span of control.

17 Q. Could you just generally describe for the Court what those  
18 responsibilities include?

19 A. Generally it's around the development and approval of our  
20 work plan, the budget, the resources we apply against the  
21 product, as well as strategic oversight.

22 Q. Now, you mentioned that in addition to Copaxone, Teva  
23 Neuroscience also sells markets, a product known as Azilect?  
24 Could you just briefly describe for the Court what Azilect is?

25 A. Yes. Azilect is a medication indicated for the treatment

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1 both early, as well as ajunctive for ideopathic Parkinson's  
2 disease.

3 Q. Now, do you have a binder in front of you, Mr. Congleton  
4 with some documents in it?

5 A. Yes, I do.

6 Q. If you could, sir, just turn to the first tab, it's labeled  
7 as PTX 697. Do you see that?

8 A. Yes, I do.

9 Q. And have you seen this document before?

10 A. Yes, I have.

11 Q. What is it?

12 A. It is the prescribing information for Copaxone.

13 Q. Is this sometimes referred to as a product insert?

14 A. Yes.

15 Q. Is it also known as a drug label?

16 A. Yes, it is.

17 Q. Now, was this drug label for Copaxone approved by the Food  
18 and Drug Administration?

19 A. Yes, it was.

20 Q. Is this a document that was created and maintained by Teva  
21 in the ordinary course of its business?

22 A. Yes, it was.

23 MR. HASHMALL: Your Honor, plaintiffs move PTX-697  
24 into evidence.

25 MR. JONES: No objection, your Honor.

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1 MR. DOYLE: No objection.

2 THE COURT: All right, admitted.

3 (Plaintiff's Exhibit PTX-697 received in evidence)

4 Q. Mr. Congleton, what is the purpose of the product insert,  
5 which is PTX-697?

6 A. It's to describe the use, the efficacy, safety, ability of  
7 the medicine.

8 Q. Now, if you could look at the top column on the first page  
9 of 697. There's a heading there called "indications and  
10 usage," do you see that?

11 A. Yes, I do.

12 Q. All right. What does this tell the person who is reading  
13 this label?

14 A. It would tell the physician how to use Copaxone and what  
15 patient it would be indicated for.

16 Q. And for what conditions is Copaxone indicated?

17 A. Copaxone is indicated for the reduction of frequent or --  
18 reduction of the frequency of relapses in patients with  
19 relapsing-remitting form of Multiple Sclerosis, as well as for  
20 clinically isolated syndrome with one relapse and MRI  
21 indicative of MS.

22 Q. Now, below that there is a section entitled dosage forms  
23 "dosage form and strength," do you see that?

24 A. Yes, I do.

25 Q. Does this tell the physician in what form Copaxone is sold?

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1 A. It does.

2 Q. And in what form is it sold?

3 A. It's sold in prefilled syringes with one milliliter of  
4 sterile water, as well as 20 milligrams of glatiramer acetate.

5 Q. Now, and just above that there's a section entitled "dosage  
6 and administration," do you see that?

7 A. Yes, I do.

8 Q. And does this tell the physician how Copaxone is to be  
9 administered?

10 A. It does.

11 Q. And how is Copaxone to be administered?

12 A. It's to be administered with a daily injection of the  
13 prefilled syringe with the 20 milligrams of Copaxone.

14 Q. Now, do you know, Mr. Congleton, when Copaxone was first  
15 approved for sale in the United States?

16 A. Copaxone was approved in December of 1996.

17 Q. And do you know, sir, when Copaxone was first offered for  
18 sale in the United States by Teva?

19 A. Yes, I do.

20 Q. And when was that?

21 A. April 2nd of 1997.

22 Q. Now, in April of 1997, you were employed by Teva  
23 Neuroscience?

24 A. That's correct.

25 Q. And how large was Teva Neuroscience marketing department in

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1 April of 1997?

2 A. It was two people.

3 Q. And who were those two people, Mr. Congleton?

4 A. I was the product manager, and I had a boss who was the  
5 head of our marketing department named John Asler.

6 Q. And was there a sales force at Teva Neuroscience at that  
7 time?

8 A. Yes, there was.

9 Q. And how large was that sales farce in April of 1997?

10 A. In April of 1997, we had 32 sales associates.

11 Q. Now, at the time that Copaxone was launched in April of  
12 1997, were there any other MS drugs on the market?

13 A. Yes, there were.

14 Q. And what were those drugs?

15 A. There was Avonex as well as Betaseron, both interferons.

16 Q. And Copaxone is not an interferon, correct?

17 A. That's correct.

18 Q. How are interferons, just generally, Mr. Congleton, how are  
19 interferons different from Copaxone?

20 A. They're a different class of drugs with a different mode of  
21 action. They have common traits, but Copaxone is in a  
22 different class onto itself with a different mode of action.

23 Q. All right. And now you mentioned these two drugs, Avonex  
24 and Betaseron. How long had they been on the market?

25 A. Betaseron was launched in the United States in 1993, and

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1 Avonex was launched in the United States in 1996.

2 Q. Now, are you familiar with the indicated uses for those two  
3 drugs?

4 A. Yes, I am.

5 Q. And what are they indicated for?

6 A. They're also indicated for the reduction of relapses in  
7 relapse-remitting Multiple sclerosis.

8 Q. And are you familiar with how those two drugs are to be  
9 administered?

10 A. Yes, I am.

11 Q. And how are those products administered?

12 A. Avonex is a once weekly intramuscular injection, and  
13 Betaseron is an every other day subcutaneous injection.

14 Q. Now, at the time that -- in April 1997 when Teva first  
15 started selling Copaxone, did Teva Neuroscience develop a  
16 launch plan for Copaxone?

17 A. Yes, we did.

18 Q. And could you just generally tell the court what a launch  
19 plan is?

20 A. A launch plan is your effort to really raise the awareness  
21 of your molecule, help physicians and patients understand how  
22 to initiate utilization of that, as well as maintain it. So  
23 it's a communication plan that introduces your product to the  
24 appropriate audiences.

25 Q. Were you involved in developing the launch plan for

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1 Copaxone?

2 A. Yes, I was.

3 Q. So could you tell the Court, generally, what was that  
4 launch plan for Copaxone in April of 1997?

5 A. In April of 1997, it was still early in the treatment of  
6 MS, so our focus was on raising the importance of treating the  
7 disease, getting patients to begin that therapy, then to convey  
8 the benefits that Copaxone could provide patients from an  
9 efficacy and safety standpoint. We utilized our sales  
10 representatives, we utilized non-sales representative activity,  
11 such as direct mail, conventions, journal advertising.

12 Q. Now, you mention there were these two interferon drug  
13 products that are marketed at that time. How did Teva position  
14 itself with respect to those two interferon products?

15 A. Really as the non-interferon. We had a different mode of  
16 action. The efficacy we felt was comparable. A better safety  
17 tolerability standpoint due to what the experience had been  
18 with physicians with interferon. So as a different mode of  
19 action and a different clinical profile.

20 Q. Were there any challenges that Teva faced when it first  
21 started selling Copaxone?

22 A. Yes, there were.

23 Q. And could you just tell us, generally, what those  
24 challenges were?

25 A. There were several. The first would be, again MS therapies



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1 were new to both physicians and patients, so it was the need  
2 for treating MS was a challenge.

3 The fact that the interferons were in the marketplace  
4 anywhere from four to about a year earlier than us, and had  
5 gained traction as an approach to treat MS. And then, frankly,  
6 the fact that we were a daily injectable versus less frequently  
7 administered medications.

8 Q. Do you recall, approximately, what the U.S. sales were for  
9 Copaxone in 1997?

10 A. Yes.

11 Q. And what were those sales?

12 A. \$25 million dollars.

13 Q. Now, since Copaxone was launched in 1997, have other MS  
14 drugs come on to the market?

15 A. Yes.

16 Q. And what currently approved drugs does Teva consider to be  
17 competitors of Copaxone?

18 A. Current first line competitors would be Avonex and  
19 Betaseron, as well Extavia and Rebif, all four of those being  
20 interferons.

21 Q. Now, you mentioned first line treatment. What do you mean  
22 by "first line treatment"?

23 A. First line treatment would be a therapy that a physician  
24 would, in all likelihood, use for a newly diagnosed patient or  
25 a patient that is beginning to investigate the utilization of

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1 therapy to manage their MS.

2 Q. Now, the four competitor drugs that you have identified,  
3 are those all administered by injection?

4 A. Yes, they are.

5 Q. And with what frequency are those four drugs administered?

6 A. The Avonex, as I've said, is a weekly intramuscular. The  
7 other interferons are either every other day or three times a  
8 week, subcutaneously.

9 Q. So Copaxone is still the only drug that requires  
10 administration daily?

11 A. That's correct.

12 Q. Now, just very generally, how has Teva's sales fared since  
13 it was -- its first year it was launched in 1997?

14 A. It's fared very well. We have, over the course of time,  
15 grown from the third entrant into the market place into the  
16 therapy of choice almost by a factor of two currently. It  
17 built over time. Copaxone has a unique profile, unique mode of  
18 action. The experience that physicians gain, they saw the  
19 benefit that their patients were deriving. As that knowledge  
20 accumulated, that experience accumulated, the utilization of  
21 Copaxone grew.

22 And then in 2005 with the introduction or the data  
23 from to head-to-head trials against interferons, it really  
24 continued to accelerate Copaxone's growth. Because those  
25 trials showed that Copaxone was of equal efficacy to the

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1 interferons, and that was contrary to the perception that was  
2 in the marketplace prior to that.

3 Q. Now, as part of your responsibilities with respect to the  
4 marketing and sales of Copaxone, do you keep track of patient  
5 loyalty?

6 A. Yes, we do.

7 Q. Just tell the Court, what is patient loyalty?

8 A. Loyalty in the context of pharmaceuticals really focuses on  
9 compliance, non-adherence. And compliance is over a given  
10 month, does patient take the drug as indicated, in Copaxone's  
11 case, are they injecting daily over those 30 days. Adherence  
12 is more of a longer term frame. It's over a given year how  
13 well the patient stayed on that therapy, so that they can  
14 derive the benefits intended.

15 Q. Do you know approximately what percentage of patients  
16 started on Copaxone stay with the drug?

17 A. Yeah, our adherence figures are approximately 85 percent at  
18 the end of the first year.

19 Q. Could you just give us a ballpark about how many patients  
20 are currently using Copaxone?

21 A. Approximately 100,000 at this point in time are benefiting  
22 from Copaxone.

23 Q. And as part of its services, does Teva Neuroscience offer  
24 any patients support programs with respect to Copaxone?

25 A. Yes, we do.

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1 Q. Is there a name for that program?

2 A. Yes. It's called Shared Solutions.

3 Q. So, and could you describe for the Court what Shared  
4 Solutions is?

5 A. Shared Solutions is a free service that we offer to all  
6 people with MS.

7 Prior to launching the drug in 1997, we were obviously  
8 getting to know the MS marketplace, the needs of those  
9 patients. And it was clear that beyond just therapy, MS  
10 patients had emotional, psychological issues they needed to  
11 manage.

12 We felt it was important to create a program, our  
13 service that would help manage those barriers so the patient  
14 could go -- could be as successful as possible with the  
15 medication Copaxone. So we created the service. We made it  
16 available for all people with MS. They could have access to  
17 nurses, to educational materials. If the patient was going to  
18 begin Copaxone, then they -- a door opened to other service  
19 they had access to, such as reimbursement support, injection  
20 training, free auto-ject advice, access to the nurse, as well  
21 as other educational materials. And it has been a benefit to  
22 patients only not taking Copaxone, but obviously those taking  
23 Copaxone to help them be successful with the molecule.

24 Q. Patient does not have to be actually using Copaxone to have  
25 access to Teva's services?

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1 A. That's correct.

2 Q. And I'm sorry, does Teva charge the patients for these  
3 services?

4 A. No, we do not.

5 Q. I'd like to just talk to you a little bit, Mr. Congleton,  
6 about the details regarding Teva's promotion of Copaxone.  
7 Could you describe for the Court what Teva's promotional  
8 strategy is for Copaxone?

9 A. It's really focused on, again, building the awareness of  
10 the need to treat MS, then convey the unique properties of  
11 Copaxone and the benefits that a physician's patient can derive  
12 from utilizing Copaxone to manage their Multiple sclerosis.

13 Q. And who is the principal audience for Teva's promotional  
14 efforts relating to Copaxone?

15 A. Predominantly physicians, neurologists specifically, as  
16 well as MS patients.

17 Q. And what methods does Teva use to promote Copaxone?

18 A. We utilize our sales force, as well as non-sales force  
19 activities, such as conferences, journal ads, the website,  
20 direct mail.

21 Q. Are you familiar with the term of "detailing"?

22 A. Yes, I am.

23 Q. Could you just explain to the court what detailing means?

24 A. Detailing is when our field base sales associates go into  
25 physicians' offices and talk to them about Copaxone and how it

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1 can benefit their patients who have MS.

2 Q. All right. Does Teva do any direct consumer advertising  
3 such as TV ads or radio ads with respect to Copaxone?

4 A. No, we do not.

5 Q. Now, in your binder, Mr. Congleton, could you turn to the  
6 document that's labeled PTX 908? What is PTX -- 908?

7 A. Sorry. It's a copy of a sales aid that we would give to  
8 our sales associates.

9 Q. Do you know what year this document was created?

10 A. I believe it's 2007.

11 Q. And was 908 prepared under your supervision?

12 A. Yes, it was.

13 Q. And was this document prepared in the ordinary course of  
14 Teva's business?

15 A. Yes, it was.

16 MR. HASHMALL: Your Honor, plaintiffs offer PTX-908 in  
17 evidence.

18 MR. JONES: No objection, your Honor.

19 MR. DOYLE: Your Honor, Sandoz doesn't have an  
20 objection to the admission of the document for the purpose  
21 which I think it is being proffered, which is to indicate what  
22 Teva tells the MS community about Copaxone. But we do object  
23 to it being accepted for the truth of any matter asserted  
24 therein, because it's a sales aid, and there is no foundation,  
25 and there is no support for any of the actual information

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1 contained in this document provided by this witness.

2 THE COURT: All right. I'll admit it.

3 (Plaintiff's Exhibit PTX-908 received in evidence)

4 MR. HASHMALL: Thank you, your Honor.

5 Q. And the next question, your Honor, is, for what purpose was  
6 PTX-908 created, Mr. Congleton?

7 A. It is the primary tool that our sales representatives  
8 utilize when detailing a physician to convey the benefits of  
9 Copaxone.

10 Q. And could you just tell us a bit how the sales  
11 representative uses this aid?

12 A. They would set up appointments with physicians, over the  
13 course of ten to 15 minute conversation use this as a  
14 supportive document to share with them data that has been  
15 published and generated on Copaxone, to talk about its  
16 efficacy, as well as safety.

17 Q. All right. If you could, Mr. Congleton, turn to the pages  
18 that is Bates numbers on the bottom, if you could turn to the  
19 page that has the last three digits of 909 and 910?

20 A. Okay.

21 Q. We have that up on the screen. This is a chart. What data  
22 is presented in this clarity, Mr. Congleton?

23 A. This is looking at the main efficacy end points that  
24 neurologists focus on when managing MS, and specifically it's  
25 looking at the effect that Copaxone has on these efficacy end

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1 points over a sustained period of time.

2 Q. And so how would a salesperson at Teva use this information  
3 with the doctor when he's being, he or she is meeting with the  
4 doctor?

5 A. This is one of the most important points for physicians is  
6 how does your product affect the patient over the long term.  
7 So a sales representative would share with the physician what  
8 they can expect to see as a response in their patients to the  
9 use of Copaxone in managing the disease over time.

10 Q. And if you could, sir, turn to page with the last three  
11 digits of 912?

12 A. Okay.

13 Q. Do you have this, Mr. Congleton?

14 A. I do.

15 Q. All right. What is described on this page?

16 A. This is describing the pivotal trial, as well as the  
17 extended version of that trial. In this particular case it's  
18 through ten years. This is the -- one of the unique aspects  
19 about Copaxone is it is prospectively followed long term to  
20 ensure that the effect is not only immediate, but also  
21 sustained in offering benefit to a neurologist's patient.

22 Q. If you could turn, Mr. Congleton, to the page that has the  
23 last three digits 3915?

24 A. Okay.

25 Q. And what's described on this page, Mr. Congleton?



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1 A. Again, this is additional efficacy information. It shows  
2 that not only is Copaxone effect sustained, but it also shows  
3 that it is immediate within the first three months you see a  
4 separation of the drug's effect to placebo.

5 Q. Now, does Teva train its sales staff on how to use this  
6 document, PTX-908?

7 A. Yes, we do.

8 Q. Could you turn, sir, to the document that's labeled as  
9 PTX-909 in your binder.

10 A. Okay.

11 Q. Do you recognize this document?

12 A. I do.

13 Q. And what is this document?

14 A. This is a sales aid training tool. It's internal use only.  
15 We provide it to our sales representatives in conjunction with  
16 the sales aid we just reviewed.

17 Q. And do you know what year this document was created?

18 A. In 2007.

19 Q. And was this created under your supervision?

20 A. Yes it was.

21 Q. Was this in document created in the ordinary course of  
22 Teva's business?

23 A. Yes, it was.

24 MR. HASHMALL: Your Honor, we offer PTX-909 in  
25 evidence.

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1 MR. JONES: No objection, your Honor.

2 MR. DOYLE: No objection for the purpose being --

3 THE COURT: Purpose understanding.

4 MR. DOYLE: Yes, your Honor.

5 THE COURT: All right, admitted.

6 (Plaintiff's Exhibit PTX-909 received in evidence)

7 MR. HASHMALL: Thank you, your Honor.

8 Q. If you could turn to the page that's has the last three  
9 digits of 350. Could you describe what type of information is  
10 on this page, Mr. Congleton?

11 A. This is background information for sales associates to help  
12 them understand the graphic within that sales aid.

13 Q. And is this document used to instruct them in how to use  
14 the document that we had previously looked at?

15 A. Yes. It's a teaching aid.

16 Q. All right. Now on the top of that page you see there is a  
17 paragraph that's labeled direction; see that?

18 A. Yes, I do.

19 Q. What is the purpose of this paragraph?

20 A. It's to give the sales representative a sense for what the  
21 intents of this graphic is, the point that needs to be conveyed  
22 to the physician.

23 Q. All right. And then to the left on that page there is a  
24 section there entitled message musts. Do you see that?

25 A. Yes, I do.

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1 Q. What are message musts?

2 A. There is a lot of data obviously within this graphic, and  
3 this is a way that we help the sales representative highlight  
4 what are the key points that we'd like them to convey to the  
5 physicians.

6 Q. Now, PTX-908 and 909, are these typical of the types of  
7 sales aids and manuals that are distributed and used by Teva  
8 sales force?

9 A. Yes, they are.

10 Q. Now, you start -- Teva Neuroscience started selling in  
11 1997, started selling Copaxone. Has the promotional message  
12 for Copaxone changed since its introduction in 1997 until  
13 today?

14 A. It's evolved over time, but the core message has remained  
15 relatively constant; and that is, a unique mode of action that  
16 elicits a unique clinical profile that provides a sustained  
17 long term efficacy in a safe and tolerable manner.

18 Q. Do you know what the approximate sales in the United States  
19 of Copaxone were for Teva in 2010?

20 A. Yes. In the United States approximately 2.25 billion.

21 Q. And do you know approximately how much sales have been told  
22 for Teva since introduction of the product in 1997?

23 A. Lifetime it's been over \$10 billion.

24 Q. Thank you, Mr. Congleton.

25 MR. HASHMALL: No further questions, your Honor.

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1 THE COURT: Cross-examination?

2 MR. JONES: May I begin?

3 THE COURT: Yes.

4 CROSS EXAMINATION

5 BY MR. JONES:

6 Q. Thank you, your Honor. Good morning, Mr. Congleton.

7 A. Good morning.

8 Q. Now, I think I heard, as you ended your testimony, you  
9 talked about how your sales force has stressed this unique mode  
10 of action of Copaxone; is that accurate?

11 A. That's correct.

12 Q. That's been a consistent sales strategy for Teva to talk  
13 about this unique mode of action of Copaxone; is that correct?

14 A. That's correct.

15 Q. Now, it's true, though, right, that the mechanism by which  
16 Copaxone works is not fully understood, right?

17 A. That's correct.

18 Q. In fact, no one really knows how Copaxone works, right?

19 A. That's correct.

20 Q. Now, you talked about, you talked about sales figures. Let  
21 me try and put it on a per patient level, and we can use an  
22 exhibit to help us get there.

23 Could I please have up 1981, PTX-1981.

24 Showing you, sir, if you go -- you've got a witness  
25 binder, you can look in the screen or you can look in the

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Congleton - cross

1 witness binder, for DTX-1981. I'll represent to you and you  
2 can tell by the -- if you have the document yourself, you can  
3 see there is a Teva Bates number on it, but I'll represent to  
4 you that DTX-1981 is an excerpt from a spread sheet produced by  
5 Teva in this action. Do you recognize the information in  
6 DTX-1981, sir?

7 A. I do.

8 Q. All right. And you see that this is reported sales  
9 information as of January 5, 2010, sir?

10 A. Yes.

11 MR. JONES: All right, move admission of DTX-1981,  
12 your Honor.

13 MR. HASHMALL: No objection, your Honor.

14 THE COURT: All right, admitted.

15 (Defendant's Exhibit DTX-981 received in evidence)

16 Q. Just again, I think you talked about other methods or  
17 medications used for treating Multiple sclerosis. And we see  
18 those other medications listed on DTX 1981, correct?

19 A. Yes, we do.

20 Q. All right. And then about the one, two, three, four, the  
21 fifth medication is listed as Copaxone, correct?

22 A. That's correct.

23 Q. And if you go over to average wholesale price, we see that  
24 the average wholesale price for Copaxone is listed as \$3,303,  
25 correct?

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Congleton - cross

1 A. That's correct.

2 Q. So per year when you put that up per year, a patient is  
3 going to be charged \$40,187 at least as of January 5, 2010, is  
4 that correct?

5 A. That's presuming they take 365 injections in a given year  
6 yes.

7 Q. And that's how it's prescribed, correct, you take a daily  
8 injection?

9 A. It's how it's prescribed, yes.

10 Q. Right. And you assumed your patients are going to be in  
11 compliance with their there medication, correct?

12 A. We try to help them with that, but we know the realities  
13 are they are not completely 100 percent compliant.

14 Q. So assuming, though, a compliant patient, a patient who  
15 wants to control their MS, which I think you'd agree most  
16 patients want to do is controlling their MS, correct?

17 A. That's their goal.

18 Q. Then they're going to be as, at least as of January 5,  
19 2010, they're looking at \$40,187 over the course of a year,  
20 correct?

21 A. If a hundred percent compliant, yes.

22 Q. Right. And that in fact when you look at the other drugs,  
23 Copaxone for yearly cost to the patient is the most expensive  
24 of the MS treatments, correct?

25 MR. HASHMALL: Objection, your Honor. I think the box

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Congleton - cross

1 is obscuring the number on the bottom.

2 Q. Okay.

3 MR. HASHMALL: So I think if you --

4 A. It would be secondary to Tysabri.

5 Q. But it's certainly more expensive than Avonex, correct?

6 A. Yes.

7 Q. Betaseron, correct?

8 A. Yes.

9 Q. Extavia, correct?

10 A. Yes.

11 Q. And Rebif, right?

12 A. Yes.

13 Q. All right. Now, we've been looking at prices for  
14 January 5, 2010. Let's go to an exhibit and look to see what's  
15 happened with prices. If I could have up DTX-2022.

16 DTX-2022 -- and again, sir, you have that in your  
17 binder. 2022 is the SEC form 20-F, the annual report submitted  
18 by Teva Pharmaceutical for the year ended 2010. Have you ever  
19 seen form 20-F before, sir?

20 A. Yes I have.

21 Q. Right?

22 MR. JONES: Move admission of DTX-2022, your Honor.

23 MR. HASHMALL: No objection, your Honor.

24 THE COURT: All right, admitted.

25 (Defendant's Exhibit DTX-2022 received in evidence)

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Congleton - cross

1 Q. Thank you. Just so we can have some context about  
2 Copaxone. If you go to page six. Unfortunately, this is not  
3 Bates numbered, but we'll use the organic page number of the  
4 exhibits. Page six of DTX-2022. Here we go. If you look at  
5 the 4th paragraph, it's the paragraph under the italicized  
6 portion, if I could have that blown up. Then the second  
7 sentence of that paragraph. Thank you, Nick. If I could have  
8 the second sentence of the paragraph highlighted. No, one  
9 before that. There you go. Thank you.

10 Now, Teva's statement to the SEC indicates that  
11 Copaxone is -- contributes disproportionately to your profits  
12 and your cash flows; is that correct?

13 A. It has significant impact on Teva's cash flows, yes.

14 Q. Well, it contributes disproportionately. That's at least  
15 what Teva told the SEC, correct?

16 A. That's what that does say, yes.

17 Q. And that's as of 2010. But in fact Copaxone has  
18 contributed disproportionately to your profits and cash flows  
19 for more than just 2010, correct?

20 A. It has continued to grow and add value to Teva, yes.

21 Q. That's right.

22 If we could move on in DTX-2022, if you go to page 60,  
23 60, and if you could pull out paragraph one, two, three, fourth  
24 paragraph, the one that begins U.S. and market Copaxone sales.  
25 Thank you.



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Congleton - cross

1           What I'm trying to get a sense, sir, is what's  
2 happened to prices. Remember we saw that spread sheet showing  
3 prices as of January 2010. We're trying to get a sense of  
4 what's happened to prices from January 2010 until present, all  
5 right. Prices have increased, correct?

6 A. Yes, they have.

7 Q. In fact according to what Teva told the SEC, you had two  
8 price increases in 2010, correct? If you look at that second  
9 sentence?

10 A. That's correct.

11 Q. Each of 9.9 percent, right?

12 A. That's correct.

13 Q. And then you had a -- so that's a total of what, about  
14 almost 20 percent sales price increase?

15 A. 19.8, yes.

16 Q. Yeah. Any reason to doubt the accuracy of that price  
17 increase reported to the SEC?

18 A. No, there would be no reason.

19 Q. Now, it also -- this discloses a second price increase that  
20 occurred I think in January 2011, if you look at the next  
21 sentence. So on top of the nearly 20 percent increase that  
22 we -- that's reported that occurred in 2010, in January 2011  
23 you had an additional 14.9 percent increase in the sales price  
24 for Copaxone, correct?

25 A. That's correct.

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Congleton - cross

1 Q. So since January of 2010, Teva has increased prices for  
2 Copaxone by about 39 percent, right?

3 A. That's correct. We've also seen the volume continue to  
4 grow, as well as the share grow, as it is the leading choice in  
5 treating MS.

6 Q. There is not much competitive pressure on you, is there

7 A. There's constant competitive pressure.

8 Q. All right, there's constant competitive pressure. Let me  
9 understand something. The rate of inflation for 2010 was about  
10 1.5 percent, right?

11 A. I don't have that handy.

12 Q. Well, did you get any push back on raising prices by  
13 40 percent? Did you get push back from your management saying,  
14 don't increase prices by 40 percent, inflation is only running  
15 about 1.5, push back from your management, sir?

16 A. We factor a lot of different things as we analyze our  
17 pricing actions.

18 Q. Do you agree, though, that after analyzing all those  
19 factors, including any competition that you say is out there,  
20 you agree that price has increased significantly for patients  
21 just over the course of a year, correct; 40 percent?

22 A. Prices have changed over time, as well as pressures within  
23 the co-pay system, the reimbursement. Lot of factors go into  
24 that, yes.

25 Q. Teva turn a profit on Copaxone in 2010?

197ZTEV2

Congleton - cross

1 A. Yes, we did.

2 Q. 2009 profit?

3 A. Yes, we did.

4 Q. When is the first year Copaxone became profitable for Teva?

5 A. I don't have that information.

6 Q. Well, you know about 2010, 2009. 2008, was it profitable?

7 A. 2008 was -- I -- honestly I focus on the U.S. portion of  
8 that, and I don't see the roll up on a global basis for  
9 Copaxone specifically.

10 Q. Now, you talked a little bit about marketing, and in fact  
11 you showed a label. I want to ask you some questions about the  
12 information that Teva supplies to doctors and patients in its  
13 marketing activities. Are you familiar with the term  
14 "informational marketing"?

15 A. Yes.

16 Q. Would you agree that Teva engage in informational marketing  
17 with regard to Copaxone?

18 A. Yes, I would.

19 Q. With informational marketing, what you're basically trying  
20 to do is you're doing your best to inform doctors and patients  
21 about the benefits of Copaxone, correct?

22 A. As well as the importance of therapy in general in managing  
23 MS.

24 Q. Right. So talking about the benefits, the importance of  
25 the therapy, and you're trying to give them your best

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Congleton - cross

1 information about the risks of Copaxone, correct?

2 A. That's our responsibility both efficacy and the safety of  
3 the product, yes.

4 Q. You take that responsibility seriously, correct?

5 A. Yes, we do.

6 Q. If you know about a risk that your product might pose to  
7 the public, you're going to tell them about it, right?

8 A. Within our mandate, yes.

9 Q. Now, starting -- you said that you've been with the -- with  
10 Copaxone since I think its launch back in 19 -- well, you said  
11 it got approval to launch in 1996 with Copaxone; is that  
12 correct?

13 A. Approved in '96, yes.

14 Q. And then but your sales were April of 1997 were first  
15 sales?

16 A. That's correct, in the United States.

17 Q. In the U.S., that's correct, sir.

18 Now, when you first had permission from the FDA to  
19 launch Copaxone, that was at an approved average molecular  
20 weight of 4.7 to 11 kilodalts, correct?

21 A. To be honest, I don't have that information right in front  
22 of me.

23 Q. Right. Well, let's pull up DTX-1073, then.

24 1073, sir, is a December 20, 1996 approval letter from  
25 the FDA to Teva; you agree?

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Congleton - cross

1 A. Yes, I can.

2 MR. JONES: Move admission of DTX-1073, your Honor.

3 MR. HASHMALL: No objection, your Honor.

4 THE COURT: All right, admitted.

5 (Defendant's Exhibit DTX-1073 received in evidence)

6 Q. Thank you. If we look at DTX-1073 again, this would be the  
7 approval letter from the FDA to Teva saying that you folks had  
8 approval to market and sell Copaxone, correct?

9 A. That's correct.

10 Q. And this exhibit does have Bates numbers. If we go to  
11 TEV104078. Just look for the 78 at the bottom.

12 A. I'm there.

13 Q. Great. If you would -- thank you very much. Actually, if  
14 you just focus right on that first paragraph, great. Thank  
15 you.

16 So what we see here depicted on 104078 of DTX-1073 is  
17 actually the label approved by the FDA for Teva to use with  
18 Copaxone, correct?

19 A. That's correct.

20 Q. And if you look at -- this label tells us a couple of  
21 things, right? First it tells us what the average molar  
22 fraction is for Copaxone, correct?

23 A. It's says the average molecular weight of Copaxone, yes.

24 Q. Well, let's actually -- if you go right --

25 A. There's the fraction; yes, you're correct.

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Congleton - cross

1 Q. Were you in the courtroom for the opening statements?

2 A. Yes, I was.

3 Q. So you have heard the discussion about molar fractions,  
4 correct?

5 A. I did hear.

6 Q. And it's your understanding, right, that Teva reports  
7 accurately it's average molar fraction when it includes that  
8 information on its Copaxone label, correct?

9 A. Yes.

10 Q. And then after that we were getting to this average  
11 molecular weight issue, if you highlight the next sentence,  
12 Nick.

13 This reports that Teva is authorized to sell Copaxone  
14 with an average molecular weight of 4.7 to 11 kilodaltons,  
15 correct?

16 A. According to the label, yes.

17 Q. Right. And what I've done is, I know it's 4,700 daltons,  
18 but my mouth gets tired, so I'm just going to talk about  
19 kilodaltons, you understand that 4,700 daltons is the same as  
20 4.7 kilodaltons, right?

21 A. Correct. I'll refer to the dalton portion, though.

22 Q. Great. And, in fact, Teva went on the market when you made  
23 that first sale in April of 2007, and/or April of 1997, Teva  
24 went on the market with a Copaxone with an average molecular  
25 weight 4.7 to 11 kilodaltons, correct?

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Congleton - cross

1 MR. HASHMALL: Objection, your Honor. What's in the  
2 label -- there was extensive testimony at the prior trial about  
3 what the manufacturing specifications and what the actually  
4 went to market with, and I don't think there is any foundation  
5 that this witness knows the answer to that question. It's  
6 going well beyond the scope of what he was testifying about on  
7 direct.

8 THE COURT: I can read the label. I don't know that  
9 this witness is able to testify to this.

10 Q. All right. Well, did you provide promotional information  
11 and labeling information to patients and doctors about the  
12 average molecular weight of Copaxone?

13 A. We provided prescribing information to physicians and  
14 patients, yes.

15 Q. Did you know the average molecular weight of Copaxone that  
16 you were selling to the public and to doctors?

17 A. I was aware of the label, but it's not my field of  
18 expertise. I focus on conveying the benefits of the product to  
19 physicians and patients.

20 Q. And you have no reason to believe that the Copaxone that  
21 you sold was outside the range of 4.7 to 11 kilodaltons, right?  
22 You have no reason to believe it was outside that average  
23 molecular weight?

24 A. I don't have any information about that.

25 Q. Okay. Now, I want to look at another label. Let's look at

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Congleton - cross

1 Exhibit PTX-695, all right. I'm showing you PTX-695, a label  
2 for Copaxen. Go to the last page of the exhibit. You'll see  
3 that it has a revision date of January of 2002. So having  
4 looked at PTX 695, do you recognize this as a label for  
5 Copaxone as of January 2002, sir?

6 A. Yes.

7 MR. JONES: Move admission of PTX-695?

8 MR. HASHMALL: No objection, your Honor.

9 THE COURT: All right, it's admitted.

10 (Defendant's Exhibit PTX-695 received in evidence)

11 Q. Now, when we go to the first page of PTX-695, just that  
12 first paragraph -- thank you, Nick -- again we see a report and  
13 this is actually the label that patient and a doctor would see  
14 with their Copaxone that they purchased as of 2002, correct?

15 A. That's correct.

16 Q. All right. So the patient would see again these molecular  
17 fractions, right?

18 A. That's correct.

19 Q. And they would see that the average molecular weight of the  
20 product is from 4.7 to 11 kilodaltons, right?

21 A. That's correct.

22 Q. Now, and I encourage you if you need to to go ahead and  
23 look at the binder version of 695, but if you need to -- but  
24 you would you agree that in this 2002 label, regarding the 4.7  
25 to 11 KDA Copaxone, there is no discussion about that product



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Congleton - cross

1 being toxic in the rat basophilic leukemia in vitro assay,  
2 right?

3 A. No, there's not.

4 Q. Okay. There's no mention of 4.7 to 11 KDA Copaxone being  
5 toxic in the in vivo mouse assay, right?

6 MR. HASHMALL: Your Honor, I would object to this. I  
7 think, unless there is some other purpose here, I'm not able to  
8 certain -- it seems like we're going back to issues that were  
9 tried fully in July, and this is obviously the wrong witness to  
10 be questioned about this.

11 THE COURT: Well, I mean if there's no objection to  
12 these documents going in, you can make these arguments. I  
13 don't think we need to labor through this with this witness.

14 MR. JONES: And I'll get right to the point with it  
15 then.

16 Q. If, to your knowledge, sir, the 4.7 to level KDA Copaxone,  
17 that Teva marketed, that drug is not toxic, correct?

18 MR. HASHMALL: Object.

19 THE COURT: I'm going to sustain the objection. This  
20 is the wrong witness.

21 Q. Did you --

22 THE COURT: I like you, don't get me wrong, but you're  
23 the wrong witness on this one.

24 Q. Right.

25 THE COURT: Okay.

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Congleton - cross

1 Q. I'll ask --

2 THE COURT: Let's move along, Mr. Jones.

3 MR. JONES: Yes, your Honor.

4 Q. I'll simply ask, what you told doctors and patients?

5 THE COURT: That's not relevant.

6 MR. JONES: Just so that I'm clear, your Honor, is it  
7 your preference, because I don't want to try the Court's  
8 patience on this, you're right, this is something that we can  
9 develop in argument, I do -- I was going to plan on asking him  
10 what Teva told the public in regard to toxicity for various  
11 weight ranges of Copaxone?

12 THE COURT: I'm assuming you can -- it's all in here.  
13 Would there be any difference in the materials that they --  
14 what was in the label, the materials? I doubt it. I think  
15 that's your point, right?

16 MR. JONES: Precisely, your Honor, just simply  
17 establishing that there was no mention of toxicity to the  
18 public of 4.7 to 11 or five to nine, no mention to the public  
19 that 5 to nine was any less toxic than 4.7 to 11. That's the  
20 point.

21 MR. HASHMALL: Your Honor, they can argue obviously  
22 what they want from the label, but --

23 THE COURT: Right, I'm just trying to shorten this up.

24 MR. HASHMALL: I know. But I have a concern that the  
25 issue -- I don't see how this goes to any issue, other than the

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Congleton - cross

1 issue that we tried in July, but maybe we can have that  
2 discussion later. But I'm hoping we're not going to start  
3 getting the same argument that we heard in July about  
4 differences between what they told.

5 THE COURT: I'm not worried right now about who is  
6 arguing what. I just want to get our witness taken care of.

7 MR. JONES: With that, your Honor, thank you for your  
8 guidance. I'll excuse -- thank you.

9 THE COURT: All right, good enough.

10 THE WITNESS: Thank you.

11 MR. DOYLE: Your Honor, I have one question. Could I  
12 just ask it from here?

13 THE COURT: Please, that would be great.

14 MR. DOYLE: Yes, your Honor.

15 CROSS EXAMINATION

16 MR. DOYLE: I'd like to know, Mr. Congleton, in any of  
17 its Copaxone marketing materials, does Teva state that the side  
18 effect profile of co-polymer-1 is associated in any way with  
19 its molecular weight?

20 A. With it's what? I'm sorry.

21 Q. Its molecular weight?

22 A. We share in our communications with patients beyond the  
23 efficacy and how to utilize the drug is the adverse effects  
24 that are within our product insert that are most frequent and  
25 that physicians and patients need to be aware of.

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Congleton - cross

1 Q. My question is a little more specific, which is in its  
2 marketing materials, is there any relationship drawn by Teva  
3 between that side effect profile and molecular weight of  
4 Copaxone?

5 A. There is not.

6 MR. DOYLE: Thank you.

7 THE COURT: Any redirect?

8 MR. HASHMALL: No, your Honor.

9 THE COURT: All right, thank you very much. You may  
10 step down. You're excused.

11 We'll take a ten minute break. And who is your next  
12 witness.

13 MR. HASHMALL: Next witness will be Dr. Lisak.

14 MS. HOLLAND: Your Honor, I have the list --

15 (Recess)

16 (In open court)

17 THE COURT: Please be seated everybody. Call your  
18 next witness.

19 MR. HASHMALL: Your Honor, Mr. John Bennett is going  
20 to be putting on our next witness.

21 THE COURT: All right, Mr. Bennett.

22 MR. BENNETT: Good morning. The plaintiffs call Dr.  
23 Robert P. Lisak.

24 ROBERT P. LISAK,

25 called as a witness by the plaintiff,

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Congleton - cross

1           having been duly sworn, testified as follows:

2       DIRECT EXAMINATION

3       BY MR. BENNETT:

4           THE COURT:   You can be seated, sir.   Thank you.

5           THE WITNESS:   Thank you.

6           MR. BENNETT:   Your Honor, before we begin, Dr. Lisak  
7       is our practicing physician expert, and you may remember from  
8       the pretrial conference that the parties have agreed that the  
9       practicing physician experts may appear once to accommodate  
10      their patient schedules.   So Dr. Lisak is going to be providing  
11      some testimony today related to the validity issues,  
12      specifically secondary considerations of non-obviousness called  
13      long felt need and the failure of others that typically would  
14      be rebuttal testimony in this type of case.

15          THE COURT:   All right.

16          MS. HOLLAND:   In addition to some infringement  
17      testimony.

18          THE COURT:   So, I'm going to hear everything I'll ever  
19      need to hear from Dr. Lisak.

20          MR. BENNETT:   That's right.

21          THE COURT:   That's everybody's understanding?   All  
22      right, then you're wide open.   Go ahead.

23          MR. BENNETT:   Thank you.

24      Q.   Dr. Lisak, would you please introduce yourself to the  
25      Court?

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Lisak - direct

1 A. Robert P. Lisak.

2 Q. Where do you live, sir?

3 A. Bloomfield Hills, Michigan, which is a suburb of Detroit.

4 Q. Are you currently employed?

5 A. Yes, I am.

6 Q. Where are you employed, sir?

7 A. I'm employed at Wayne State University and the Wayne State  
8 University Physicians Group.

9 Q. What is your position at Wayne State, sir?

10 A. I'm the Chairman of Neurology and also Professor of  
11 Neurology and Professor of Immunology and Microbiology.

12 Q. What are your responsibilities as the Chair of Neurology  
13 and Professor at Wayne State?

14 A. As Chair, I'm the administrative head of the department so  
15 I'm responsible for quality issues, teaching, oversight of  
16 research finances, things like that, administrative.

17 As professor, I'm responsible for participating in the  
18 various teaching programs for the department.

19 Q. How big is the neurology department at Wayne State?

20 A. The full-time faculty is 35 members, but that doesn't count  
21 residents, fellows, secretaries, technicians and the  
22 laboratories, and so for the overall, probably over 100.

23 Q. In addition to your academic role, do you hold any other  
24 employment, sir?

25 A. I'm the chief of neurology at Harper University Hospital.

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Lisak - direct

1 Q. What are your responsibilities as the chief of neurology at  
2 Harper University Hospital?

3 A. I'm responsible for oversight of quality of care by all of  
4 the neurologists in the department of neurology, as well  
5 oversight of the residents and fellows at the hospital, as well  
6 as administrative duties for the hospital, medical  
7 administrative.

8 Q. Can you give us a sense of how big the neurology practice  
9 is at Harper University Hospital?

10 A. We have 30 full-time neurologists in the department of  
11 neurology in the practice group, and there are another three or  
12 four private practice neurologists, plus we have 21 neurology  
13 residents, plus various fellows.

14 Q. Do you treat multiple sclerosis patients at Harper  
15 University Hospital?

16 A. Yes, we do.

17 Q. About how big, how many MS patients do you treat there,  
18 sir?

19 A. Well, the Multiple sclerosis clinic, which is run by the  
20 University Practice Group, Harper Department of Neurology, has  
21 about 3500 to 4,000 patients at any one time that we are  
22 following.

23 Q. Do you treat MS patients yourself?

24 A. Yes, I do.

25 Q. About how many patients do you have in your care?

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Lisak - direct

1 A. My own personal would be about 500 patients at any one  
2 time.

3 Q. How long have you been treating MS patients?

4 A. Since 1972.

5 Q. Okay. Over the course of your career, about how many MS  
6 patients have you evaluated, sir?

7 A. Evaluated and treated, I would estimate 4500 to 5,000.

8 Q. Stepping back to your academic role, would you share with  
9 us what courses you teach?

10 A. I teach in the second year medical school student course on  
11 neurology. I teach third year students who take neurology  
12 rotation at the University Hospital. I teach fourth year  
13 students on electives, those are usually students who are  
14 thinking about a career in neurology. And then I'm also  
15 involved in teaching of the neurology residents, as well as  
16 specialty fellows, including the Multiple sclerosis fellows.

17 Q. Are you involved in any other type of teaching role?

18 A. Yes, both at Wayne State nationally and internationally I  
19 do what's called continuing medical education, CME. And that  
20 is, those are courses for already practicing physicians who  
21 wish to keep up, need to keep up in certain areas of practice.  
22 And I tend to be lecturing on multiple sclerosis and other  
23 autoimmune disease of the nervous system.

24 Q. Do you conduct research in your academic role?

25 A. Yes, I do.



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Lisak - direct

1 Q. Has any of that research been published?

2 A. Yes, it has.

3 Q. Can you give us a sense for how much of your research has  
4 been published?

5 A. Peer reviewed, original observations, probably around 220  
6 papers. Then there are reviews and chapters and editorials and  
7 so forth.

8 Q. Does any of this work relate to multiple sclerosis?

9 A. A large percentage of it does.

10 Q. Were you retained as an expert in this case, sir?

11 A. Yes, I was.

12 Q. Who retained you?

13 A. Counsel for Teva.

14 Q. What you were asked to do?

15 A. I was asked to give a brief overview of the disease  
16 multiple sclerosis and its treatments.

17 I was asked to give an opinion on whether Copaxone met  
18 long felt needs in the treatment of multiple sclerosis.

19 I was asked to give an opinion of whether there had  
20 been other attempts to find successful treatments that had  
21 failed for multiple sclerosis, and then whether I thought there  
22 were infringements on certain of the patents that I see or that  
23 are involved in this lawsuit.

24 Q. Thank you. In general, what are your opinions on these  
25 topics, sir?

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Lisak - direct

1 A. I think Copaxone met a long felt need. I think there are  
2 many examples of failed therapy attempts, development therapies  
3 that failed, and that there are clear conflicts or with  
4 material that I've reviewed with related to the patents in this  
5 suit.

6 Q. Dr. Lisak, could you please describe your educational  
7 background for the Court?

8 A. Yes. I received my undergraduate degree at University of  
9 College of New York University cume laude, highest honors in  
10 history. My M.D. degree was from the College of Physicians and  
11 Surgeons of Columbia University.

12 Q. What did you do after you received your medical degree?

13 A. I did a postgraduate year, one which is commonly called  
14 internship, and I did that at Montefiore Hospital in the Bronx.

15 Q. What did you do after you completed your internship there?

16 A. I did two years of research at the National Institutes of  
17 Mental Health in Bethesda, multiple sclerosis related research.

18 Q. And after the NIH, what did you do next?

19 A. I came back and did another year of internal medicine at  
20 Bronx Municipal Hospital Center, Albert Einstein College of  
21 Medicine, and then I did a three year residency in the  
22 neurology at the hospital of the University of Pennsylvania.  
23 And during my last year I was also a trainee in allergy and  
24 immunology.

25 Q. Okay. When did you complete your residency at the

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Lisak - direct

1 University of Pennsylvania?

2 A. End of every June of 1972.

3 Q. What did you do next?

4 A. I joined the faculty of the Department of Neurology at  
5 University of Pennsylvania, and the staff of the hospital of  
6 the University of Pennsylvania.

7 Q. What was your role at the hospital?

8 A. I was attending neurologist, and I also was the director of  
9 the multiple sclerosis clinic.

10 Q. How long were you the director of the MS clinic there?

11 A. From 1972 through 1986.

12 Q. Can you generally describe what your role was as the  
13 director of the clinic?

14 A. As director of the clinic, my role was to, in addition to  
15 seeing patients myself, was responsible for quality, for  
16 supervision of residents who rotated in the clinic, and  
17 coordination with other attending neurologists who also saw  
18 patients in the clinic.

19 Q. About how many patients were under your care there, sir?

20 A. Again about, with multiple sclerosis, about 500 at any  
21 time.

22 Q. Did you teach while you were at the University of  
23 Pennsylvania?

24 A. Yes, I did.

25 Q. What did you teach there?

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Lisak - direct

1 A. I taught neurology again to 2nd, 3rd and 4th year students,  
2 neurology residents and fellows who were subspecializing in  
3 multiple sclerosis.

4 Q. When did you join Wayne State, sir?

5 A. In 1987.

6 Q. What position did you assume when you joined Wayne State?

7 A. Professor of Neurology and Chairman of the Department of  
8 Neurology, as well as I mentioned, Professor of Immunology and  
9 Microbiology.

10 Q. Okay. How long have you been in that position, sir?

11 A. I'm in my 25th year.

12 Q. Are you involved in any academic or medical journals from  
13 your field of work?

14 A. Yes, I am.

15 Q. Could you describe that involvement, sir?

16 A. I'm the editor in chief of the Journal of Neurological  
17 Sciences, which is the journal of the world federation of  
18 neurology. I'm also member of the editorial board for neuro  
19 immunology of the, of a journal called Clinical  
20 Neuropharmacology.

21 Q. Just briefly, when you say clinical Neuropharmacology, what  
22 does what that mean?

23 A. That journal publishes articles related to research in  
24 therapy of neurologic diseases.

25 Q. Thank you. Have you served on any other editorial boards

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Lisak - direct

1 on in the past, sir?

2 A. Yes, I have.

3 Q. Could you describe that for us?

4 A. Journaled called neurology, which is the journal of the  
5 Academy of Neurology, the Anals of Neurology, Journal of Neuro  
6 Immunology, Muscle and Nerve, and the Journal of the Peripheral  
7 Nervous System.

8 Q. Thank you. Have you provided any lectures in the field,  
9 sir?

10 A. Yes, I do.

11 Q. Could you describe that for us?

12 A. I lecture, in addition to Wayne State, at other hospitals  
13 and universities, and invited talks at meetings in the United  
14 States and abroad.

15 Q. Have you been involved in any clinical research, sir?

16 A. Yes, I have.

17 Q. Could you describe that for us?

18 A. I've been involved in studies of patients with multiple  
19 sclerosis and other neurologic diseases, including clinical  
20 studies, including clinical trials.

21 Q. Are you involved in any professional associations?

22 A. Yes, I am.

23 Q. Could you describe that for us, sir?

24 A. I'm a member of the American -- I'm a fellow of the  
25 American Academy of Neurology, active now honorary member of

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Lisak - direct

1 the American Neurologic Association, Society of Neuroscience,  
2 several others.

3 Q. Have you received any awards during your career?

4 A. Yes, I have.

5 Q. Could you describe those for us?

6 A. I was a full ride scholar in United Kingdom, I won  
7 something called a doctor's award from Myasthenia gravis  
8 foundation of America, which is given to one physician a year  
9 for clinical and/or research accomplishments. I was elected an  
10 honorary member of the American Neurologic Association, and I  
11 was elected a fellow by distinction of the Royal College of  
12 Physicians of London.

13 Q. Just briefly, what is Myasthenia gravis, which you --

14 A. Myasthenia gravis is another autoimmune disease of the  
15 nervous system. It affects where the nerve meets the muscle,  
16 so-called neuro muscular junction.

17 Q. Have you received any awards of late, sir?

18 A. Yes, I have.

19 Q. Could you describe that for us?

20 A. I just received a life time achievement award from the  
21 Consortium of Multiple Sclerosis Centers.

22 Q. What is the consortium of MS Centers?

23 A. It's an organization of centers that are involved in the  
24 treatment of patients with multiple sclerosis, as well as  
25 research with patients with multiple sclerosis.

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Lisak - direct

1 Q. Could you give us a little more color on that, the awards  
2 that you received from the consortium, sir?

3 A. They give one a year to a neurologist or neuro scientist or  
4 someone involved in care or and/or research in multiple  
5 sclerosis. So I deem it a high honor.

6 Q. Dr. Lisak, I'd like you to turn to the tab labeled PTX-419  
7 in your binder.

8 A. I have it.

9 Q. Do you recognize this document?

10 A. Yes, I do.

11 Q. What is it?

12 A. It's a copy of my, sorry, curriculum vitae, and my  
13 bibliography.

14 MR. BENNETT: Plaintiffs move for the admission of  
15 PTX-419, your Honor?

16 MS. BLOODWORTH: No objection.

17 THE COURT: Admitted.

18 (Plaintiff's Exhibit PTX-419 received in evidence)

19 MR. DOYLE: Your Honor, no objection as long as we're  
20 give the same opportunity with our experts.

21 THE COURT: I think that's probably right.

22 MR. DOYLE: Thank you, your Honor.

23 THE COURT: Okay.

24 MR. BENNETT: Your Honor, plaintiffs offer Dr. Lisak  
25 as an expert regarding multiple sclerosis and the treatment of

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1 MS?

2 THE COURT: Any objection or voir dire requested?

3 MR. DOYLE: No, your Honor.

4 MS. BLOODWORTH: None, your Honor.

5 THE COURT: All right. I will accept Dr. Lisak as an  
6 expert. Go ahead.

7 MR. BENNETT: Thank you.

8 Q. Dr. Lisak, in general, what is multiple sclerosis?

9 A. Multiple sclerosis is an inflammatory demyelinating disease  
10 of the central nervous system, which means brain and spinal  
11 cord, and it involves inflammation affecting the brain and the  
12 spinal cord and causes demyelination.

13 Q. What systems within the body are involved?

14 A. So the central nervous system, which is considered to be  
15 the brain and the spinal cord.

16 Q. What systems are involved in causing the disease, sir?

17 A. Ah, it appears to be due to an attack by the immune system,  
18 inflammatory autoimmune cells.

19 Q. Okay. You mentioned that it's a demyelinating disease,  
20 right?

21 A. Yes, I did.

22 Q. What does that mean?

23 A. The nervous system, the actual wiring, if you will, the  
24 axons which come out of the neurons, may have an insulation  
25 around them. The insulation is a part of the tissue itself,



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1 and it's called myelin and it serves as insulation for the  
2 actual wires, so to speak.

3 Q. What does the disease do to myelins, sir?

4 A. It destroys it.

5 Q. What is the practical impact of that, briefly?

6 A. The practical impact is that those nerves bodies that no  
7 longer have insulation do not function normally, and sometimes  
8 at all; and secondarily those, axons and neurons themselves may  
9 undergo degeneration and die and, therefore, you have permanent  
10 loss of function of those particular cells.

11 Q. Why is the disease called multiple sclerosis?

12 A. Sclerosis is because at the end of the inflammation and  
13 demyelination you get scarring. So sclerosis means scars, and  
14 multiple because there are many of them, so multiple sclerosis  
15 is the name for that reason.

16 Q. When was MS first recognized as a disease?

17 A. It was first recognized as a distinct entity back in the  
18 1860's by a French neurologist named Sharko.

19 Q. Thank you. Have you helped prepare some slides that help  
20 explain the disease course associated with MS?

21 A. Yes, I have.

22 MR. BENNETT: Your Honor, with your permission I'd  
23 like Dr. Lisak to step down from the stand?

24 THE COURT: Sure, Doctor. Go ahead.

25 THE WITNESS: Thank you, your Honor. If I do this, I

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1 think it will pick up. Thank you.

2 THE COURT: That should work.

3 THE WITNESS: Thank you.

4 Q. Dr. Lisak, I'm looking at slide number two. Just explain  
5 to us what we're seeing?

6 A. As I said, this would be a neuron, think of it is as  
7 analogy of the battery generator. This is the outgrowth of the  
8 neuron, the axon, which allows it to connect to the next neuron  
9 in the sequences. And we call this a synapse. If you look at  
10 the blown up area, this is the axon. So think of that as the  
11 platinum or the copper wire, and then think of this myelin  
12 sheet wrapped around it as the equivalent of plastic or rubber  
13 insulation, and this allows this particular axon to transmit  
14 signals to the next neuron and allows it to do it efficiently.

15 Q. You've got a depiction of the nervous system?

16 A. Yeah, this is --

17 Q. How does the graphic appear at top relate to that?

18 A. So as we're discussing multiple sclerosis, this would be  
19 the brain and the spinal cord. This would be what we would be  
20 worried about in MS, occurs in the brain and the spinal cord.  
21 Some of the rest of this is the peripheral nerves, which are  
22 not involved in multiple sclerosis. It's a central nervous  
23 system disease, brain and spinal cord.

24 Q. Let's move onto slide number three. And again, could you  
25 explain what we're seeing here, Dr. Lisak?

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1 A. So what you're seeing here is cells autoimmune cells and  
2 other immune cells, inflammatory cells, get cross out of the  
3 blood into the brain and spinal cord, and for reasons that are  
4 not fully understood, they attack the myelin as if it was  
5 somebody else's myelin; thus, we use the term autoimmune  
6 disease. That leads to degeneration of the myelin, and leads  
7 to areas of the axon that are we would call bear; that is, they  
8 have no insulation. That means that at this point this axon  
9 cannot function efficiently or normally. Same would be over  
10 here. And then this is multiple of course, it's multiple  
11 sclerosis.

12 Q. Move to the next slide number four. And what are we  
13 looking at here?

14 A. Again, as I mentioned a little earlier. Now, if you look  
15 at a blowup over here, you've lost myelin, you just have some  
16 fragments. And now the bare axon not only doesn't work well,  
17 but the same inflammatory immune cells can now directly or by  
18 secreting various materials, further damage the system by  
19 damaging the axon, which is lost its myelin protection.

20 Q. Let's move on to the next slide number five. What do we  
21 see here?

22 A. And as a consequence of the lack of insulation and other  
23 factors that myelin helps the axon with, now the axon itself  
24 starts to fragment and disintegrate and die. That, therefore,  
25 means that this neuron really cannot communicate effectively

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1 with anything that it's connected to even with the neuron that  
2 might be connecting over here. So it becomes basically non-  
3 functional and, essentially, doesn't work.

4 Q. And now slide number six, Dr. Lisak, what do we see here?

5 A. So when that happens you now have what we call dying back,  
6 so the neuron body itself, the generator of the battery dies.  
7 This cell, by not getting signal, eventually becomes  
8 dysfunctional and may die. Ultimately, the ability of the  
9 brain and spinal cord to send messages out through the  
10 peripheral nerves to the muscles and other organs and to  
11 communicate within itself is lost.

12 Q. Thanks. Dr. Lisak, if you like to return to the stand for  
13 a moment?

14 A. Yes.

15 Q. What happens when nerve cells die, Dr. Lisak?

16 A. Well, when they die, whatever function -- excuse me.  
17 Whatever function that particular nerve cell was in charge of  
18 involved with, no longer works and you get neurologic symptoms  
19 as a consequence.

20 Q. What are some of the practical effects of this disease  
21 course on a patient?

22 A. Well, it results in the patients having a lot of different  
23 neurologic symptoms at various times, severity, and if it  
24 continues to progress, you can get, and you do get permanent  
25 disability, and that leads to a patient being handicapped and

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1 impaired, disabled.

2 Q. Have you prepared a slide that describes some of the  
3 symptoms and outcomes of MS?

4 A. Yes, I have.

5 Q. Let's put that up on the screen, slide number seven.

6 Dr. Lisak, again, describe some of these symptoms,  
7 sir?

8 A. These are some of the symptoms of multiple sclerosis;  
9 blurring of vision or double vision, either one, or both; loss  
10 of balance, and poor coordination; speech may become slurred;  
11 patients may develop tremors, numbness where they don't feel  
12 things well; extreme fatigue out of proportion to anything  
13 they're doing. It can affect the ability to concentrate,  
14 memory and other, what we call cognitive functions; sexual  
15 dysfunction; impaired physical mobility; dysfunction of the  
16 bladder and bowel, sometimes actual loss of ability to control  
17 the bladder or bowel, paralysis, blindness, and in a small  
18 percentage of patients, death from complications of multiple  
19 sclerosis.

20 Q. Is this a complete list of the symptoms?

21 A. No, it is not.

22 Q. Have you witnessed these symptoms in your own patients,  
23 sir?

24 A. Yes, I have.

25 Q. What is the impact of this disease on patient's day-to-day

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1 life?

2 A. Well, it affects their ability to do many different things.  
3 So you can't read, you can't walk, you can't walk well, you  
4 can't communicate, you can't remember things, you can't feel  
5 things. Fatigue is a major problem. People who even have  
6 relatively mild physical disability can't work. They're very  
7 heat sensitive with minor changes in ambient or body  
8 temperature heat. Patients can't control their own bladder or  
9 bowel. These are major problems.

10 Q. When does MS typically strike?

11 A. The majority of patients are affected between ages 20 and  
12 40.

13 Q. What is the practical impact of the disease striking at  
14 that early age?

15 A. Well, that's the age in which people are beginning their  
16 careers, finishing school, raising a family. So it's at the  
17 so-called peak or prime of life and development of life of an  
18 adult.

19 (Continued on next page)

20

21

22

23

24

25

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Lisak - direct

1 BY MR. BENNETT:

2 Q. Does MS affect women and men equally, sir?

3 A. No, it does not.

4 Q. Could you explain that for us?

5 A. Women are affected at least three times as often as men.

6 Q. Do we know why that is?

7 A. We have theories about hormonal control of the immune  
8 system, but no single definitive answer as yet.

9 Q. Are there different forms of multiple sclerosis?

10 A. Yes, there are.

11 Q. What are the different forms?

12 A. Relapsing remitting multiple sclerosis, secondary  
13 progressive multiple sclerosis, primary progressing multiple  
14 sclerosis and the rarer form we call, for lack of a better  
15 term, progressive relapsing multiple sclerosis.

16 Q. If you could just briefly describe for us those different  
17 types of MS?

18 A. Certainly. Relapsing remitting multiple sclerosis,  
19 patients have onset over hours to days or a week or two of new  
20 neurologic symptoms referable to the brain or spinal cord which  
21 will progress for a while, then stabilize and at the beginning  
22 of the disease often improve, although not always back to  
23 baseline and with repeated episodes which may be the same  
24 symptoms or some of these other symptoms that I have on the  
25 screen, it becomes more and more deficit, there's more and more

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Lisak - direct

1 residual damage. So that's what we call relapsing remitting  
2 multiple sclerosis.

3 Secondary progressive multiple sclerosis by definition  
4 is someone who had at one point relapsing remitting multiple  
5 sclerosis and now have become gradually or sometimes rapidly  
6 getting worse without any of these individual finite episodes  
7 being obviously superimposed that you can tell clinically.  
8 Primary progressive multiple sclerosis, the patients never  
9 really have relapses that we can identify, but just progress so  
10 they act like secondary progressive, yet they've never had any  
11 obvious clinical relapses.

12 The last form is quite rare and it's sort of, most of  
13 us treat it and I was on the committee that did this  
14 classification, consider it really a form of secondary  
15 progressive MS, but it's about less than 5 percent of the  
16 patients present with this last form.

17 Q. What is the most common form of the disease?

18 A. 85 percent of the patients with multiple sclerosis present  
19 as relapsing remitting multiple sclerosis.

20 Q. Briefly, what is a relapse?

21 A. Relapse is an appearance of new neurologic symptoms or the  
22 worsening of current symptoms or reappearance of symptoms that  
23 have cleared over a relatively short period of time that  
24 continues to worsen up to a point, then stabilizes and may or  
25 may not improve.



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1 Q. Is there any way to predict when these relapses occur?

2 A. There's no definite way of predicting when they may occur.

3 Q. Again, what is the impact of that on a patient?

4 A. The impact is it's pretty difficult to live that way and to  
5 plan your life not knowing if tomorrow you might have a relapse  
6 from which you may or may not get better, how long it might  
7 last and it's at a time when people are not retired, they're in  
8 their prime of life and family, work and so forth. So it's  
9 like a hanging sword, basically.

10 Q. How do you diagnosis relapsing remitting MS?

11 A. It's based on neurologic history, neurologic examination  
12 and then we use the magnetic resonance imaging, so-called MRI,  
13 along with laboratory tests and spinal fluid in some cases to  
14 establish that it's relapsing remitting multiple sclerosis and  
15 rule out other potential diagnoses.

16 Q. When you perform this MRI analysis is there a particular  
17 part of the body that you focus on?

18 A. Yes, we focus on the brain and the spinal cord.

19 Q. Again, have you helped prepare a slide that explains how  
20 the MRI scan helps the diagnosis?

21 A. Yes, I have.

22 MR. BENNETT: Again, your Honor, with your permission  
23 I'd like to have Dr. Lisak stand down.

24 THE COURT: Sure. You may step down.

25 Q. Dr. Lisak, I have slide number 8, could you just explain

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1 what we're seeing here?

2 A. Sure. So on this, on my left, over here, is the MRI scan  
3 of a normal, the brain of a normal individual. This is the  
4 area where the white matter, the myelin is concentrated, this  
5 is the normal spinal fluid here. That's the normal situation.  
6 On this side, I have, actually it's from a chapter of mine in a  
7 book that I edited, and you can see here that these lesions,  
8 these areas are abnormal. They're not supposed to be there,  
9 it's supposed to be clean. And these represent areas of  
10 inflammation, of demyelination and the scarring, sclerosis, so  
11 multiple sclerosis.

12 Q. What do those lesions do to a patient, sir?

13 A. These lesions, in varying combinations give you all of the  
14 symptoms. So several of these might interfere with the ability  
15 to think or process information because the circuits aren't  
16 working right. Some of these might be responsible for weakness  
17 or balance problems as an example, and this is only one cut  
18 through the brain. If you could make multiple cuts it would  
19 show many more lesions.

20 Q. Thanks, Dr. Lisak. Return to the stand.

21 Dr. Lisak, is there a cure for MS?

22 A. No, there is not.

23 Q. As a neurologist, how do you treat relapsing remitting  
24 multiple sclerosis?

25 A. We treat symptoms and then we administer medications, drugs

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1 that alter the natural course of the disease, so-called  
2 disease-modifying therapies, DMT's.

3 Q. Briefly what is a disease-modifying therapy?

4 A. It's a therapy that's been shown in clinical trials that  
5 reduces some end point that is efficacious, that is something  
6 you pick as an important thing that shows that drug will modify  
7 that particular outcome in patients with multiple sclerosis.

8 Q. What disease-modifying therapies are currently approved by  
9 the FDA?

10 A. There are the so-called front line or first line, which are  
11 the interferons and Copaxone. There are the second line  
12 therapies, Novantrone and Tysabri, and there is a recently  
13 introduced oral form and I think it's too soon to say how that  
14 is going to be used.

15 Q. So which of these treatments do physicians typically  
16 prescribe first?

17 A. The first line therapies, Copaxone and the interferons.

18 Q. We heard a bit from Mr. Congleton about the first line  
19 therapies, but could you explain briefly what that is?

20 A. That's the therapies that you start with because they're  
21 proven to be efficacious. They have a reasonable side effect  
22 profile; some toxicities for some of them but nothing usually  
23 life-threatening, and they are reasonably well tolerated by the  
24 patients, so that would be a first line, front line therapy.

25 Q. Are there second line treatments?

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Lisak - direct

1 A. Yes, as I mentioned, there are.

2 Q. What is a second line treatment?

3 A. Second line is also, it could be, is a drug or a treatment  
4 that's effective, is safe enough that it was approved by the  
5 FDA, but some of those tolerability and especially safety  
6 issues are such that you wouldn't start, most people would not  
7 start with those first. They would see if a patient responded  
8 to one of the first line therapies for at least for a while.

9 Q. Okay. Now, you mentioned a drug being effective, but what  
10 do you mean when you say the word "effective"?

11 A. Well, there's a few definitions. One would be in a  
12 clinical trial and that's what the FDA takes, so going forward  
13 as I understand it, you tell the FDA what you think the end  
14 points would be; reduction of the relapses, less disability,  
15 whatever you think are important, you pick important ones that  
16 you and the FDA agree on and that would be efficacious.

17 As a physician practicing, it's also what you see in  
18 your own practice, that is, patients who were put on the  
19 medications seem to be doing well, better than they've been  
20 doing before they were put on the medication. That would be as  
21 a practical physician's mind, so they overlap a little bit, but  
22 the latter is not as clearly defined as the FDA's.

23 Q. You also mentioned safety and tolerability. Could you  
24 explain what you mean by those terms?

25 A. Safety means does the drug in question for MS or any other